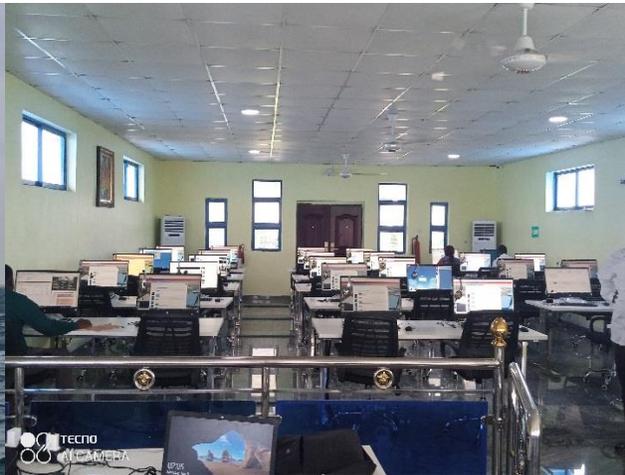




# 2022 SECOND QUARTER AND HALF YEAR BUDGET IMPLEMENTATION REPORT



**BUDGET OFFICE OF THE FEDERATION**  
Ministry of Finance, Budget and National Planning

## **FOREWORD**

It gives me great pleasure to present to you the Second Quarter and Half-Year 2022 Budget Implementation Report (BIR), which provides information on budget performance during the period. The FGN Budget is a vital policy tool for delivering on the objectives of the Government. The 2022 Budget was titled “Budget of Economic Growth and Sustainability”. It was prepared taking into consideration the policies/strategies contained in the 2022–2024 Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP). Allocations to Ministries, Departments and Agencies (MDAs) were guided by the core objectives of the National Development Plan (NDP) 2021 – 2025.

This report is produced in compliance with Sections 30 and 50 of the Fiscal Responsibility Act (FRA), 2007 which requires the Budget Office of the Federation (BOF) to prepare quarterly Budget Implementation Reports. The Reports are to be submitted to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission (FRC). They are also to be circulated widely to all stakeholders and the general public through electronic and other media. I commend the Budget Office of the Federation and the relevant Ministries, Departments and Agencies (MDAs) for their hard work and keen efforts in preparing this Report. I also appreciate the important roles of both the Fiscal Responsibility Commission and the National Assembly’s Joint Finance Committee in promoting best practices in public financial management. I look forward to the continued consolidation of our cooperative work in this regard.

In conclusion, I urge readers of the Budget Implementation Reports to sustain their keen interest in government’s public financial management in Nigeria. I also encourage you to use the numerous avenues provided by government to contribute towards the enhancement of budgetary outcomes for the benefit of all Nigerians.

**Mrs (Dr) Zainab Shamsuna Ahmed**

*Honourable Minister of Finance, Budget and National Planning*

## **PREFACE**

The Budget Office of the Federation monitors and evaluates the implementation of annual federal budgets quarterly and produces the reports thereof in accordance with the Fiscal Responsibility Act 2007. This Second Quarter and Half-Year Budget Implementation Report is one of the in-year reports prepared by the BOF for the assessment of the 2022 Budget performance. In addition to satisfying the provisions of the FRA 2007, these reports are expected to improve budget transparency and accountability in line with Nigeria's commitment to the Open Government Partnership (OGP).

The budget preparation, execution, monitoring and evaluation system in Nigeria has continued to improve. The BOF has continued to implement critical reform initiatives that have increasingly delivered more purposeful, implementable and extensively equitable budget in a more effective manner. Appropriate technology and models are being introduced to ensure timely and accurate budget preparation, implementation and evaluation.

The implementation of the 2022 Budget has been very challenging. The economic was adversely affected by the global economic effects of the Russia – Ukraine war and the lingering effects of the Coronavirus Disease (COVID-19). These together with supply chain disruptions and high energy and food costs resulted in decline in most economic activities and crude oil demand volatility in the world market. Consequently, aggregate revenue for the second quarter and half year 2022 fell significantly fell prorated budget estimates, further worsening the fiscal position of the federal government.

In spite of these challenges, Government was able to deliver ₦1,283.84 billion capital expenditure in the first half of 2022 and this enabled the government to continue its reflationary expenditure programme.

This Report is a product of the joint efforts of the fiscal, financial and statistical agencies of government which provided the required data. I am very delighted by the collaborative efforts of the various Departments of the BOF in producing this report. I commend their hard work and wish them every success as they continue to carry out this important function.

**Ben Akabueze**

*Director General, Budget Office of the Federation*

# Table of Contents

<b>FOREWORD .....</b>	<b>II</b>
<b>PREFACE .....</b>	<b>III</b>
<b>TABLE OF CONTENTS.....</b>	<b>IV</b>
<b>TABLE OF ACRONYMS .....</b>	<b>VI</b>
<b>LIST OF TABLES .....</b>	<b>VIII</b>
<b>LIST OF FIGURES.....</b>	<b>IX</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>X</b>
<b>1.0 INTRODUCTION.....</b>	<b>1</b>
<b>2.0 MACROECONOMIC DEVELOPMENTS AND ANALYSIS.....</b>	<b>4</b>
2.1 PERFORMANCE OF THE GLOBAL ECONOMY.....	4
2.2 DOMESTIC MACROECONOMIC PERFORMANCE.....	5
2.2.1 <i>Developments in Real Sector.....</i>	<i>5</i>
2.2.1.1 <i>GDP Growth:.....</i>	<i>5</i>
2.2.1.2 <i>Oil Sector: .....</i>	<i>6</i>
2.2.1.3 <i>Non-Oil Sector:.....</i>	<i>7</i>
2.2.2 <i>Developments in Prices .....</i>	<i>7</i>
2.2.3 <i>Developments in Money Market.....</i>	<i>9</i>
2.2.4 <i>Developments in the External Sector .....</i>	<i>10</i>
2.2.4.1 <i>External Trade .....</i>	<i>10</i>
2.2.4.2 <i>Balance of Trade.....</i>	<i>12</i>
2.2.4.3 <i>Exchange Rates .....</i>	<i>11</i>
2.2.4.4 <i>External Reserves .....</i>	<i>12</i>
2.2.5 <i>Debt Stock.....</i>	<i>13</i>
2.2.5.1 <i>Total Public Debt Stock.....</i>	<i>14</i>
2.2.5.2 <i>Domestic Debt Stock.....</i>	<i>15</i>
2.2.5.3 <i>External Debt Stock.....</i>	<i>15</i>
<b>3.0 FINANCIAL ANALYSIS OF THE 2021 BUDGET IMPLEMENTATION.....</b>	<b>16</b>
3.1 KEY ASSUMPTIONS AND PROJECTIONS .....	16
3.1.1 <i>Budget Benchmark Oil Price and Production:.....</i>	<i>18</i>
3.2 ANALYSIS OF REVENUE PERFORMANCE:.....	19
3.2.1 <i>Performance of Key Oil Revenue Parameters: .....</i>	<i>19</i>

3.3	AGGREGATE REVENUE OF THE FEDERATION:.....	20
3.4	OIL REVENUE PERFORMANCE: .....	20
3.4.1	<i>Net Oil Revenue:.....</i>	21
3.4.2	<i>Half Year Oil Revenue Performance: .....</i>	21
3.5	NON-OIL REVENUE PERFORMANCE: .....	23
3.5.1	<i>Half Year Non-Oil Revenue Performance: .....</i>	24
3.6	COMPARATIVE REVENUE PERFORMANCE ANALYSIS:.....	27
3.7	DISTRIBUTABLE REVENUE: .....	28
3.8	EXCESS CRUDE ACCOUNT.....	29
3.9	FGN BUDGET REVENUE.....	30
3.9.1	<i>Total Inflow of the Federal Government .....</i>	34
3.10	EXPENDITURE DEVELOPMENTS:.....	34
3.10.1	<i>Non-Debt Recurrent Expenditure .....</i>	35
3.10.2	<i>Debt Service:.....</i>	36
3.10.3	<i>Statutory Transfers:.....</i>	38
3.10.4	<i>Capital Expenditure Performance: .....</i>	38
3.10.5	<i>Budget Deficit and Performance of the Financing Items: .....</i>	40
<b>4.0</b>	<b>CONCLUSION.....</b>	<b>41</b>
<b>APPENDIX I</b>	<b>.....</b>	<b>42</b>

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## TABLE OF ACRONYMS

<b>A/C:</b>	<i>Account</i>	<b>MPR:</b>	<i>Monetary Policy Rate</i>
<b>AIE:</b>	<i>Authority to Incur Expenditure</i>	<b>MSMS:</b>	<i>Micro, Small and Medium Scale</i>
<b>AF:</b>	<i>Alternative Funding</i>	<b>MTEF:</b>	<i>Medium Term Fiscal Framework</i>
<b>AEs:</b>	<i>Advanced Economies</i>	<b>N:</b>	<i>Naira</i>
<b>B:</b>	<i>Billion</i>	<b>NBS:</b>	<i>National Bureau of Statistics</i>
<b>BDC:</b>	<i>Bureau De-Change</i>	<b>NDDC:</b>	<i>Niger Delta Development Commission</i>
<b>BOF:</b>	<i>Budget Office of the Federation</i>	<b>NHRC:</b>	<i>National Human Rights Commission</i>
<b>BREXIT:</b>	<i>British Exit</i>	<b>NJC:</b>	<i>National Judiciary Commission</i>
<b>CBN:</b>	<i>Central Bank of Nigeria</i>	<b>NNPC:</b>	<i>Nigerian National Petroleum Corporation</i>
<b>CIT:</b>	<i>Company Income Tax</i>	<b>NTB:</b>	<i>Nigerian Treasury Bills</i>
<b>COVID-19:</b>	<i>Corona Virus Disease - 2019</i>	<b>OAGF:</b>	<i>Office of the Account General of the Federation</i>
<b>DMO:</b>	<i>Debt Management Office</i>	<b>ONSA:</b>	<i>Office of National Security Adviser</i>
<b>ECA:</b>	<i>Excess Crude Account</i>	<b>OPEC:</b>	<i>Organization of Petroleum Exporting Countries</i>
<b>EMDEs:</b>	<i>Emerging Markets and Developing Economies</i>	<b>OTC-FMDQ-OTC:</b>	<i>Over the Counter Financial Market Dealer Quotation</i>
<b>EMEs:</b>	<i>Emerging Markets Economies</i>	<b>PCC:</b>	<i>Public Complaint Commission</i>
<b>FAAC:</b>	<i>Federation Account Allocation Committee</i>	<b>PPT:</b>	<i>Petroleum Profit Tax</i>
<b>FGN:</b>	<i>Federal Government of Nigeria</i>	<b>PSC:</b>	<i>Production Sharing Contracts</i>
<b>FMFBNP:</b>	<i>Federal Ministry of Finance, Budget and National Planning</i>	<b>SC:</b>	<i>Service Contracts</i>
<b>GDP:</b>	<i>Gross Domestic Product</i>	<b>SITC:</b>	<i>Standard International Trade Classification</i>
<b>IMF:</b>	<i>International Monetary Fund</i>	<b>SWF:</b>	<i>Sovereign Wealth Fund</i>
<b>INEC:</b>	<i>Independent National Electoral Commission</i>	<b>TSA:</b>	<i>Treasury Single Account</i>
<b>JVC:</b>	<i>Joint Venture</i>	<b>UBEC:</b>	<i>Universal Basic Education Commission</i>
<b>LNG:</b>	<i>Liquefied Natural Gas</i>	<b>US:</b>	<i>United States</i>
<b>M2:</b>	<i>Money Supply</i>	<b>VAT:</b>	<i>Value Added Tax</i>
<b>MB&amp;NP:</b>	<i>Ministry of Budget and National Planning</i>	<b>WEO:</b>	<i>World Economic Outlook</i>
<b>MBPD:</b>	<i>Million Barrels Per Day</i>	<b>ZBB:</b>	<i>Zero Base Budgeting</i>
<b>MDAs:</b>	<i>Ministries, Departments and Agencies</i>		

## LIST OF TABLES

Table 3.1: Key Assumptions and Targets for 2016 - 2022 Budget .....	17
Table 3.2: Detailed Assumptions for Oil Production and Taxes (2018 and 2022) .....	19
Table 3.3: Performance of Revenue in the Second Quarter of 2022 Vs 2021 .....	23
Table 3.4: Net Distributable Revenue as at June 2022 (Oil Revenue at Benchmark Assumptions).....	26
Table 3.5: Actual Performance of Non-Oil Revenue Categories (Second Quarter) 2013 – 2022.....	27
Table 3.6: Percentage Growth in Non-Oil Revenue Performances (Second Quarter) 2014 – 2022.....	27
Table 3.7: Net Excess Crude Account .....	30
Table 3.8: Inflows to the 2022 Federal Budget as at June 2022 .....	32
Table 3.9: FGN Budget Expenditure and Fiscal Account (in N’ Billion) as at June 2022 .....	37
Table 3.10: Capital Budget Utilization by MDAs (as at 30 <sup>th</sup> June, 2022).....	39

## LIST OF FIGURES

Figure 2.1: GDP Percentage Growth (Q1 2015 - Q2 2022).....	6
Figure 2.2: Quarterly Oil and Non-Oil Real GDP Growth Rate percent (Q1 2018 – Q2 2022).....	7
Figure 2.3: Inflation Rate (June 2021 – June 2022).....	9
Figure 2.4: M2 Growth Rate and Interest Rates Trend (June 2021 – June 2022).....	10
Figure 2.5: Naira/US\$ Exchange Rates Trend (June 2021 – June 2022).....	13
Figure 2.6: Level of External Reserves in Billion Dollars (June 2021 – June 2022).....	14
Figure 2.7: Total Public Debt Stock (Second Quarter 2022).....	16
Figure 3.1: Budget Oil Production by Business Arrangements 2009 – 2022 .....	19
Figure 3.2: Oil Production and Lifting June 2021 – June 2022.....	20
Figure 3.3: 2021 Vs 2022 Revenue Performance (Second Quarter) .....	24
Figure 3.4: Projected Vs Actual FAAC Revenue Receipts (as at June 2022).....	28
Figure 3.5: Contributions to Distributable Revenue (in the 2 <sup>nd</sup> Quarter of 2022).....	29
Figure 3.6: Contributions to FGN Budget in the Second Quarter of 2022.....	33
Figure 3.7: FGN Revenue (Budget Vs Actual as at June 2022).....	34
Figure 3.8: 2012 – 2022 Budget Expenditure Profile.....	35
Figure 3.9: Personnel, Overhead and Capital Expenditure Trends (2012 – 2022).....	36
Figure 3.10: Pictorial Representation of Selected MDAs Capital Budget Utilization (at at 30 <sup>th</sup> June, 2022).....	40

## EXECUTIVE SUMMARY

The Federal Budget is an important tool for achieving Government's strategic objectives and plans for the socio-economic development of the nation. It shows the allocation of resources to different sectors/agencies by the Government in its effort to deliver public goods and services to the people. It is not all about expenditure allocations as it is frequently assumed by many as revenue remains a critical and vital part of the FGN budget. The 2022 Budget was titled "Budget of Economic Growth and Sustainability". The allocations to MDAs were based on the strategic objectives of the National Development Plan of 2021 to 2025, which are: Diversifying the economy, with robust MSME growth; Investing in critical infrastructure; Strengthening security and ensuring good governance; Enabling a vibrant, educated and healthy populace; Reducing poverty; and minimizing regional, economic and social disparities.

Nigeria's real Gross Domestic Product (GDP) grew by 3.54 percent (year-on-year) in the second quarter of 2022, marking seventh consecutive quarters of growth. This follows the negative growth rates recorded in the second and third quarters of 2020. The second quarter 2022 growth rate was 0.43 percentage points higher than the 3.11 percent reported in the first quarter of 2022. It was however, 1.47 percentage points lower than the 5.01 percent recorded in the second quarter of 2021. This is an indication of improvement in economic activities after the different phases of COVID-19 restrictions.

Headline inflation, though still very high, moderated from 18.17 percent in March to 18.12 percent, 17.93 percent and 17.75 percent in April, May and June 2022 respectively. The slight decrease in headline inflation rate was largely driven by the moderation in food inflation. Food inflation decreased from 22.95 percent in March to 22.72 percent, 22.28 percent and 21.83 percent in April, May and June 2022 respectively. The moderation in food inflation was due to the good harvest in the period. On the other hand, core inflation rose slightly from 12.67 percent in March to 12.74 percent, 13.15 percent and 13.09 percent in April, May and June 2022 respectively.

Monetary aggregates increased in the review period relative to the first quarter

of 2022. Broad Money Supply (M2) increased by ₦3,133.96 billion (6.86 percent) from ₦45,663.91 billion in March to ₦48,797.87 billion in June 2022. The growth in M2 was mainly driven by the expansions in the Net Domestic Assets (NDA) by 8.64 percent (₦3,293.18 billion) from ₦38,101.01 billion in March to ₦41,394.19 billion in June 2022. The development in NDA was due to the expansions in Net Domestic Credit (NDC) during the period. Net Domestic Credit increased by 8.49 percent (₦4,480.12 billion) from ₦52,787.06 billion in March to ₦57,267.18 billion in June 2022. Similarly, the expansion in Net Domestic Credit (NDC) was due to the increases in both Net Credit to Government and Credit to Private Sector during the period under review.

Nigeria's foreign trade, driven by significant improvement in imports fell in the second quarter of 2022. Total trade fell marginally by ₦0.16 trillion or 1.23 percent to ₦12.84 trillion in the second quarter of 2022, from ₦13.00 trillion in the first quarter of 2022. This represents a significant trade decline compared with the rebound of 11.05 percent growth recorded in the first quarter of 2022. The development in total trade was driven by significant contraction in imports even as exports continued to revamp in the review period. Imports fell by ₦0.47 trillion or 7.89 percent from ₦5.90 trillion in the first quarter of 2022, to ₦5.44 trillion in the review period. Exports however rose by ₦0.31 trillion or 4.31 percent to ₦7.41 trillion in the second quarter of 2022, from ₦7.10 trillion recorded in the first quarter of 2022.

The Investors and Exporters segment of the foreign exchange market appreciated slightly from ₦415.72/US\$ in March 2022 to ₦415.53/US\$ in April before depreciating further to ₦415.95/US\$ and ₦415.61/US\$ in May and June 2022 respectively. There was no data for the Official/Inter-Bank segment and Bureau-de-Change (BDC) segments of the foreign exchange market following the suspension of the operations of the Bureau-de-Change segment by Central Bank of Nigeria. There was a marginal decrease in the level of Nigeria's official gross (external) reserves to US\$39.22 billion as at end of June 2022 as against US\$39.28 billion recorded as at end of March 2022.

The total public debt stock as at 30<sup>th</sup> June, 2022 stood at ₦42,845.88 billion (US\$103,312.80 million). This represents an increase of ₦1,241.82 billion (2.98 percent) when compared to the ₦41,604.06 billion reported at the end of March

2022. The breakdown consisted of US\$63,248.02 million (~~₦~~26,230.22 billion) or 61.22 percent for domestic debt while the balance of US\$40,064.78 million (~~₦~~16,615.66 billion) or 38.78 percent was for external debt stock. The total public Debt/GDP remained sustainable at a ratio of 23.24 percent as at the end of June 2022. This was below the country specific threshold of 25 percent and also significantly below the international threshold for comparator countries of 56 percent.

Revenue shortfalls impacted FGN Budget implementation in the second quarter of 2022. The price of crude oil at the international market averaged US\$113.78 per barrel in the second quarter of 2022, indicating an increase of US\$16.66 per barrel (17.15 percent) and US\$44.95 per barrel (65.31 percent) above US\$97.12 per barrel and US\$68.83 per barrel reported in the first quarter of 2022 and second quarter of 2021 respectively. It also represents an increase of US\$40.78 per barrel (55.86 percent) above the US\$73.0 per barrel oil price benchmark for the 2022 Budget.

Average oil production in the second quarter of 2022 however decreased to 1.43 million barrels per day (mbpd) representing a 0.17mbpd (10.63 percent) fall from the 1.60mbpd benchmark for the 2022 Budget. The volume of oil production in the period was also 0.06mbpd (4.03 percent) and 0.18mbpd (11.18 percent) below 1.49mbpd and 1.61mbpd reported in the first quarter of 2022 and second quarter of 2021 respectively.

Gross Oil Revenue of ~~₦~~2,172.35 billion collected in the first half of 2022 therefore fell short of the ~~₦~~4,684.98 billion prorated budget projection for the period. This denotes a decrease of ~~₦~~2,512.63 billion (53.63 percent) against the 2022 half year budget estimate but an increase of ~~₦~~272.56 billion (14.35 percent) above the half year actual gross oil revenue recorded in 2021. The gross non-oil revenue in the first half of the year amounted to ~~₦~~3,236.60 billion; a decrease of ~~₦~~93.07 billion (2.80 percent) below the half year's estimate of ~~₦~~3,329.67 billion. This results from the underperformance of some of the non-oil revenue items. The net distributable revenue however stood at ~~₦~~3,277.27 billion in the first half of 2022, representing a shortfall of ~~₦~~2,091.31 billion (38.95 percent).

The sum of ₦2,412.76 billion was received to fund the FGN budget in the first half of 2022. This comprises ₦653.52 billion (27.09 percent) oil revenue and ₦1,759.24 billion (72.91 percent) non-oil revenue. Revenue receipts increased from ₦970.10 billion in the first quarter to ₦1,442.66 in the second quarter. However, total inflow for the first half of the year was ₦1,707.63 billion (41.44 percent) lower than the 2022 half year projection of ₦4,120.39 billion but ₦101.40 billion (4.39 percent) higher than the ₦2,311.36 billion reported during the first half of 2021.

Total expenditure of the Federal Government stood at ₦7,913.98 billion in the first half of 2022 representing a ₦690.10 billion (9.55 percent) increase above the ₦7,223.88 billion prorated budget projection for the review period. It was however ₦2,106.99 billion (36.28 percent) higher than the actual expenditure of ₦5,806.99 billion recorded in the first half of 2021. A total of ₦2,450.47 billion was spent on non-debt recurrent expenditure in the first half of 2022 representing a decrease of ₦561.31 billion (18.64 percent) below the budget estimate of ₦3,011.79 billion for the period. It was however above the non-debt recurrent expenditure of ₦2,234.05 billion spent during the half year of 2021 by ₦216.42 billion (9.69 percent). Statutory Transfers amounted to ₦419.98 billion during the review period.

Total Debt Service in the first half of 2022 stood at ₦2,597.85 billion, higher than the prorated sum of ₦1,978.04 billion by ₦619.81 billion (31.33 percent). Interest on Ways and Means amounted to ₦714.74 billion. The sum of ₦1,333.41 billion was used for domestic debt servicing, a difference of ₦52.34 billion (4.09 percent) from the prorated half year projection, while ₦549.70 billion was spent on external debt servicing during the period under review.

A total of ₦1,283.84 billion was released for the implementation of capital projects in the 2022 budget during the period. This comprises of ₦1,080.99 billion for MDAs' capital and ₦202.85 billion for Capital Supplementation. This indicates a shortfall of ₦548.41 billion or 29.93 percent from the prorated budget estimate for the half year.

The revenue and expenditure outturn of the Federal Government resulted in a

fiscal deficit of ₦5,499.29 billion (5.97 percent of prorata GDP) in the first half of 2022. This was ₦2,395.80 billion (77.2 percent) above the projected half year deficit of ₦3,103.49 billion. It was also, above the ₦3,484.41 billion deficit that was recorded in first half of 2021. The deficit was financed through foreign borrowing of ₦510.21 billion and domestic borrowing of ₦2.3 trillion.

Overall, the nation's economy grew by 3.54 percent in the second quarter of 2022, a sign that the Nigerian economy has continued to recover from the second recession in five years after posting seven consecutive positive quarterly GDP growth. The positive growth performance in the quarter under review was due to the effect of some measures put in place to curtail the negative impact of the Russia – Ukraine war, the resurgence of COVID-19 Pandemic in some countries, rising inflation and crude oil theft. Specifically, the recent rise in global economic activities, the associated rise in international crude oil demand and price, as well as the various stimulus packages being executed by the Federal Government significantly impacted developments during the review period. The positive trend is also expected to continue in subsequent quarters of 2022 and beyond.

## 1.0 INTRODUCTION

The Federal Budget is an important instrument used in achieving Government's strategic objectives and plans for the socio-economic development of the nation. It shows the allocation of resources to different sectors/agencies by the Government in its effort to deliver public goods/services to the people. The Federal Budget is not all about expenditure allocations as it is frequently assumed by many. Revenue remains a critical and vital part of the FGN budget. The 2022 Budget was titled "Budget of Economic Growth and Sustainability". The allocations to MDAs were based on the strategic objectives of the National Development Plan of 2021 to 2025, which are: Diversifying the economy, with robust MSME growth; Investing in critical infrastructure; Strengthening security and ensuring good governance; Enabling a vibrant, educated and healthy populace; Reducing poverty; and minimizing regional, economic and social disparities.

The 2022 Budget seeks to continue the reflationary policies of the 2020 and 2021 Budgets, which helped to put the economy back on the path of recovery and growth. The Budget was prepared taking into consideration the policies/strategies contained in the 2022–2024 Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP). The Budget was also prepared using the Zero-Based Budgeting (ZBB) approach and in line with the government's development priorities, as outlined in the National Development Plan (NDP) 2021-2025. Allocations to Ministries, Departments and Agencies (MDAs) were guided by the core objectives of the NDP 2021 – 25.

The 2022-2024 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) provides the economic framework for the 2022 Budget, along with fiscal policy objectives and spending priorities of the Government over the three-year period. It also reveals the plans for achieving Government's defined objectives, and highlights the key assumptions behind revenue estimates and fiscal targets as well as possible fiscal risks over the medium term. In addition, it articulates the nature of the Federal Government's debt liabilities, their fiscal consequences, and measures aimed at reducing them. The MTEF also provides the foundation for the preparation

of revenue and expenditure estimates of the annual federal budget. Hence, the MTEF represents efforts towards multi-year perspective in budgeting.

Revenue generation remains the main fiscal challenge of the Federal Government. The systemic resource mobilization problem has been compounded by recent economic recessions. Several measures are being implemented under the Administration's Strategic Revenue Growth Initiatives to increase revenue and establish fiscal prudence with emphasis on achieving value for money. These measures include: Improving the tax administration framework including tax filing and payment compliance enhancements; Evaluation of the process and policy effectiveness of Fiscal Incentives, including; Review of Sectors eligible for Pioneer Tax Holiday Incentives under the Industrial Development Income Tax Relief Act ('IDITRA'); Dimensioning the cost of tax waivers/concessions, and evaluating their policy effectiveness; Setting annual ceilings on Tax Expenditures to better manage their impact on already constrained government revenues; Ensuring that MDAs appropriately account for and remit their internally generated revenue.

Others measures include: Identifying and plugging existing revenue leakages to enhance tax compliance and reduce tax evasion; Leveraging technology and automation; and plugging fiscal drainers like subsidies; Optimizing the operational efficiencies and revenue remittance of GOEs to further improve Independent Revenue collection; and Introduction of new pro health taxes such as excise on carbonated drinks and review of existing rates.

Strategies to improve revenue mobilization will be sustained in the near term with the goal of achieving the following objectives: Enhancing tax and excise revenues through policy reforms and tax administration measures; Reviewing the policy effectiveness of tax waivers and concessions; Boosting customs revenue through the e-Customs and Single Window initiatives; and Safeguarding revenues from the oil and gas sector. The target over the medium term is to grow the Revenue-to-GDP ratio from about 8 percent currently to 15 percent by 2025. At that level of revenues, the Debt-Service-to-Revenue ratio will cease to be worrying. Put simply, we do not have a debt sustainability problem, but a revenue challenge which the present government is determined to tackle so as to ensure that our debts remain

sustainable.

Very importantly, the government is augmenting available resources with loans to finance critical development projects and programmes aimed at improving our economic environment and ensuring effective delivery of public services to our people. The focus was on: the completion of major road and rail projects; the effective implementation of power sector projects; the provision of potable water; construction of irrigation infrastructure and dams across the country; and critical health projects such as the strengthening of national emergency medical services and ambulance system, procurement of vaccines, polio eradication and upgrading Primary Health Care Centres across the six geopolitical zones.

Defence and internal security continued to be top priority of the FGN due to its commitment to the security of life, property and investment nationwide by guaranteeing that our gallant men and women in the armed forces, police and paramilitary units are properly equipped, remunerated and well-motivated. The 2022 budget is also the first in our history, where MDAs were clearly advised on gender responsive budgeting. These are part of critical steps in FGN efforts to distribute resources fairly and also to reach out to vulnerable groups of our society.

In 2022, Government will further reinforce the frameworks for concessions and Public Private Partnerships (PPPs). Capital projects that are good candidates for PPP by their nature will be developed for private sector participation. It will also continue to explore available opportunities in the existing ecosystem of green finance including the implementation of the Sovereign Green Bond Programme and leveraging debt-for-climate swap mechanisms.

This Report gives detailed information on the 2022 Second Quarter and Half Year Budget Implementation. The other parts of the Report are organised as follows. Following this introductory section, Section 2 reviews macroeconomic performance, highlighting the performance of the real, monetary and external sectors. Section 3 presents an analysis of Government's revenue receipts and expenditure in the period under review, while Section 4 is a brief conclusion of the Report.

## 2.0 MACROECONOMIC DEVELOPMENTS AND ANALYSIS

### 2.1 Performance of the Global Economy

#### Global Economic Developments

Global economic recovery slowed during the period under review. This was largely driven by demand/supply chain disruptions associated with the Russia-Ukraine war and the impact of the sanctions imposed on Russia by the United States of America and its allies. In addition, lingering headwinds associated with the COVID-19 pandemic also restrict the smooth flow of the global supply chain. The increasing danger of tightening global financial conditions as well as the disinflationary policies of the most central banks, implies that developing economies now face the risk of reduced access to global capital which would further depress growth in this group of economies.

The global economy is therefore projected to expand by 3.2 percent in 2022, in real terms, 2.9 percentage points decrease from the 6.1 percent growth recorded in 2021. The growth, which is projected to moderate to 2.9 percent in 2023, reflects a 0.4 and 0.7 percentage point decrease respectively from the projection in the April 2022 World Economic Outlook of the IMF. Downgrades for China, the United States and India, are driving the downward revisions to global growth during 2022–23, which reflect the materialization of downside risks highlighted in the April 2022 World Economic Outlook.

Global inflation is also more pessimistic, having been revised up to 8.3 percent for the 2022 fiscal year from 6.9 percent forecasted in the April 2022 World Economic Outlook. This is driven by significant increases in headline inflation among such major economies especially in the UK and the Euro Area resulting from the persistent global increases in food and energy prices. Low-income countries, where food represents a larger share of consumption and especially those with diets tilted toward commodities with the largest price gains, are feeling the impact of this inflation most keenly. Growth in global trade is also projected to slow in 2022 and 2023 by more than previously expected, reflecting the decline in global demand and supply chain problems.

The balance of risks is also squarely to the downside, driven by a wide range of factors including further increases in energy prices and more costly

disinflation policies of most economies. There is also the risk that tighter financial conditions could trigger debt distress in emerging market and developing economies, resulting in increase in borrowing costs and widespread capital flight. Others are persistent slowdown in China and risk that rising food and energy prices could cause widespread hardship, famine, and unrest.

Restoring price stability therefore remains a critical policy tool. There is also the need for countries to prepare for tighter credit and financial instability, and to tackle the food and energy crises. Existing energy or food subsidies could also be gradually pass through to consumers and to be eliminated in the near term. Targeted fiscal support could be used to help cushion the impact on the most vulnerable, but need to be offset by increased taxes or lower government spending to reduce impact on the price level.

## **2.2 Domestic Macroeconomic Performance**

### **2.2.1 Developments in Real Sector**

#### **2.2.1.1 GDP Growth**

Nigeria's Gross Domestic Product (GDP) grew by 3.54 percent (year-on-year), in real terms, in the second quarter of 2022. This represents a sustained positive growth for the seventh consecutive quarters since the recession witnessed in third quarter of 2020. The observed trend since the fourth quarter of 2020 is an indication of a gradual economic recovery. The second quarter 2022 growth rate was 0.43 percentage points higher than the 3.11 percent reported in the first quarter of 2022. It was however, 1.47 percentage points lower than the 5.01 percent recorded in the second quarter of 2021. However, quarter-on-quarter, real GDP grew at -0.37 percent in the second quarter of 2022 when compared with the first quarter of 2022, reflecting a lower economic activity than the preceding quarter.

In the quarter under review, aggregate GDP stood at ₦45,004,520.89 million in nominal terms. This performance was higher when compared to the second quarter of 2021 which recorded aggregate GDP of ₦39,123,713.32 million, representing a year-on-year nominal growth rate of 15.03 percent. The nominal GDP growth rate in the second quarter of 2022 was higher than the

13.25 percent and 14.99 percent growth reported in the preceding quarter of 2022 and corresponding quarter of 2021 respectively.

**Figure 2.1: GDP Percentage Growth (Q1 2015 – Q2 2022)**

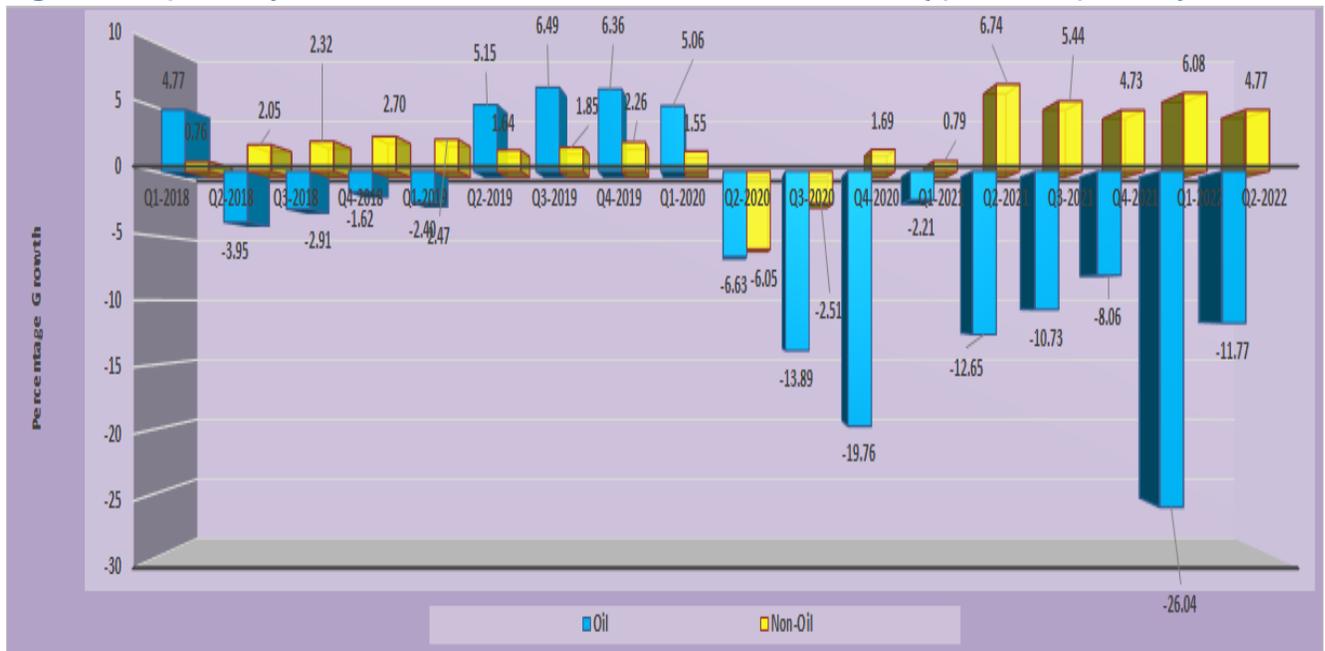


**Source:** National Bureau of Statistics, 2022

**2.2.1.2 Oil Sector**

Oil sector real GDP declined by 11.77 percent (year-on-year) in the second quarter of 2022 indicating an improvement of 0.88 percentage points relative to the growth rate of -12.65 percent recorded in the corresponding quarter of 2021. Also, the growth reflects an increase of 14.27 percentage points when compared to the -26.04 percent recorded in the first quarter of 2022. Quarter-on-quarter, the oil sector recorded a growth rate of -4.97 percent in the second quarter of 2022. As a result, the Oil sector contributed 6.33 percent to the total real GDP in the second quarter of 2022. This was lower than the 6.63 percent and 7.42 percent reported in the preceding quarter of 2022 and corresponding quarter of 2021 respectively. An average daily oil production of 1.43 million barrels per day (mbpd) was recorded in the second quarter of 2022. This implies a decline of 0.06mbpd and 0.18mbpd when compared to the average daily production of 1.49mbpd and 1.61mbpd reported in the first quarter of 2022 and second quarter of 2021 respectively.

**Figure 2.2: Quarterly Oil and Non-Oil Real GDP Growth Rate Percent (Q1 2018– Q2 2022)**



**Source:** National Bureau of Statistics, 2022

### 2.2.1.3 Non-Oil Sector

The non-oil sector grew by 4.77 percent in real terms during the quarter under review. This was 1.31 percentage points and 1.97 percentage points lower than the 6.08 percent and 6.74 percent recorded in the preceding quarter of 2022 and corresponding quarter of 2021 respectively. The performance of the non-oil sector in the quarter was driven mainly by Information and Communication (Telecommunication); Trade; Financial and Insurance (Financial Institutions); Transportation (Road Transport); Agriculture (Crop Production) and Manufacturing (Food, Beverage & Tobacco), accounting for positive GDP growth. In real terms, the non-oil sector contributed 93.67 percent to the nation’s GDP in the second quarter of 2022. This performance was higher than the 93.37 percent and 92.58 percent recorded in the first quarter of 2022 and second quarter of 2021 respectively.

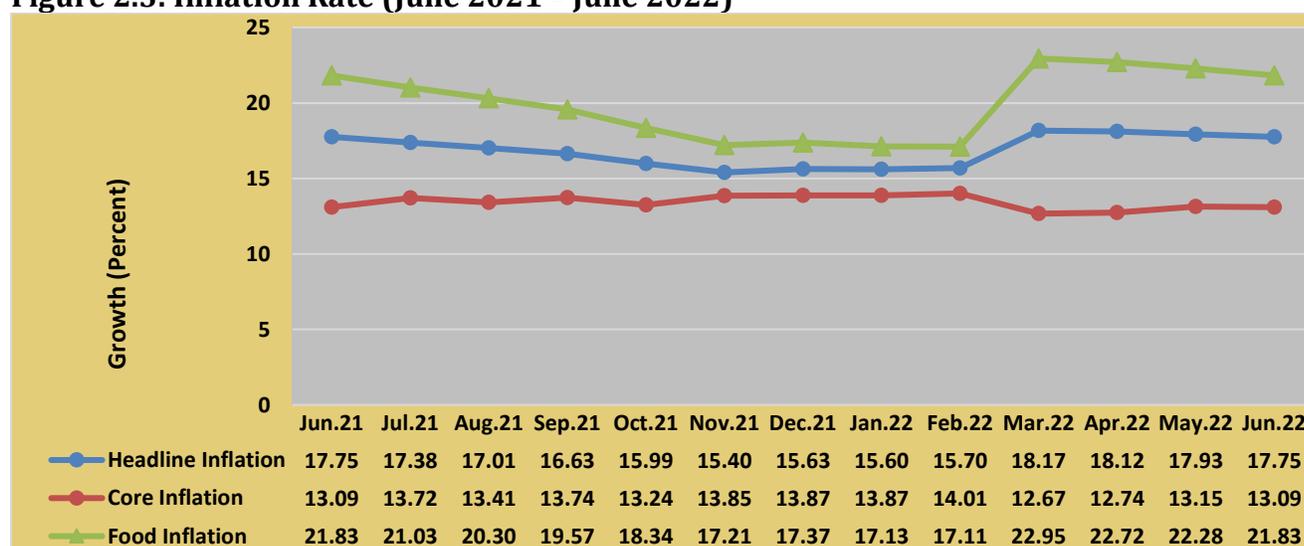
### 2.2.2 Price Developments

The rate of increase in the general price moderated in the period under review. Headline inflation though still very high, moderated from 18.17 percent in March to 18.12 percent, 17.93 percent and 17.75 percent in April, May and

June 2022 respectively. This slight decrease in headline inflation rate was largely driven by the moderation in food inflation. Food inflation decreased from 22.95 percent in March to 22.72 percent, 22.28 percent and 21.83 percent in April, May and June 2022 respectively. The moderation in food inflation was due to the good harvest recorded over the period. On the other hand, core inflation rose slightly from 12.67 percent in March to 12.74 percent, 13.15 percent and 13.09 percent in April, May and June 2022 respectively. The substantial rise in core inflation resulted largely from the rising cost of production due to high energy prices associated with the persistent disruptions to power supply, hike in electricity tariff, continued scarcity of Premium Motor Spirit (PMS), and rising price of Automotive Gas Oil (AGO).

In spite of the decline in food inflation in the quarter, the reported figure was still very high. The high level was driven by shocks to food prices associated with continued insecurity in food producing areas and along major access routes across the country; the continued impact of the war in Ukraine on the supply of fertilizer inputs, wheat and other grains; exchange rate pressures; and the impact of monetary policy normalization on capital flows away from emerging markets. However, inflation is expected to abate in the second half of the year and thereafter as food supply improves on intervention of the fiscal and monetary authority.

**Figure 2.3: Inflation Rate (June 2021 – June 2022)**



**Source:** National Bureau of Statistics, 2022

The Federal Government is also making efforts to address the issue of insecurity to enable farming and other business activities return to normalcy. Infrastructural gaps are also being addressed to minimize the upward price pressure, particularly on transportation, while the subsidy on the Premium Motor Spirit (PMS) was extended to moderate the pressure on core inflation.

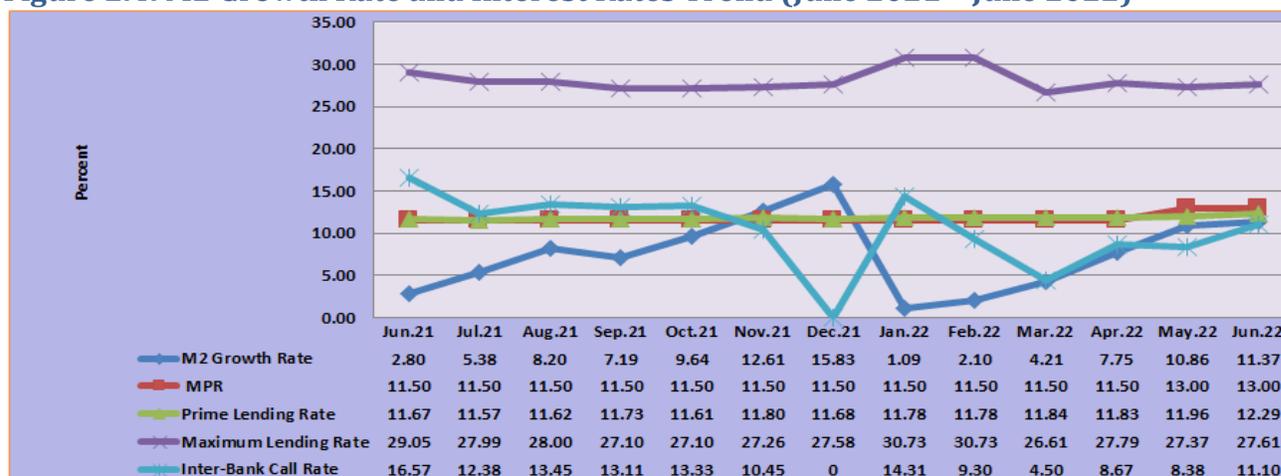
### 2.2.3 Developments in Money Market

Monetary aggregates increased in the review period relative to the first quarter of 2022. Broad Money Supply (M2) increased by ₦3,133.96 billion (6.86 percent) from ₦45,663.91 billion in March to ₦48,797.87 billion in June 2022. The growth in M2 was mainly driven by the expansions in the Net Domestic Assets (NDA). Net Domestic Asset (NDA) rose by 8.64 percent (₦3,293.18 billion) from ₦38,101.01 billion in March to ₦41,394.19 billion in June 2022. The development in NDA was due to the expansions in Net Domestic Credit (NDC) during the period. Net Domestic Credit increased by 8.49 percent (₦4,480.12 billion) from ₦52,787.06 billion in March to ₦57,267.18 billion in June 2022.

Similarly, the expansion in Net Domestic Credit (NDC) was due to the increases in both Net Credit to Government and Credit to Private Sector during the period under review. Net Credit to Government increased by 10.28 percent (₦1,677.03 billion) from ₦16,319.66 billion in March to ₦17,996.69 billion in June 2022. Credit to Private Sector also increased by 7.69 percent (₦2,803.09 billion) from ₦36,467.40 billion in March to ₦39,270.49 billion in June 2022. When compared to the level at the end of second quarter of 2021, broad money supply expanded by ₦10,038.73 billion (25.90 percent) in June 2022.

The Central Bank of Nigeria increased the Monetary Policy Rate (MPR) from 11.5 percent to 13.0 percent in the review period. However, the asymmetric corridor around the MPR was retained at +100/-700 basis points. Other key monetary policy instruments remained the same during the period under review as the Cash Reserve Ratio (CRR) and the Liquidity Ratio were left at 27.5 percent and 30.0 percent respectively.

**Figure 2.4: M2 Growth Rate and Interest Rates Trend (June 2021 – June 2022)**



**Source:** Central Bank of Nigeria, 2022

The above developments led to increases in the deposit and lending rates in the economy. The average interbank call rate increased from 4.50 percent in March to 8.67 percent, 8.38 percent and 11.10 percent in April, May and June 2022 respectively. Similarly, the average maximum lending rate rose from 26.61 percent in March to 27.79 percent, 27.37 percent and 27.61 percent in April, May and June 2022 respectively. On the other hand, the average prime lending rate fell from 11.84 percent in March to 11.83 percent in April before rising to 11.96 percent and 12.29 percent in May and June 2022 respectively (Figure 2.4).

## 2.2.4 Developments in the External Sector

### 2.2.4.1 External Trade

Nigeria's foreign trade declined in the second quarter of 2022. Total trade fell by ₦0.16 trillion or 1.23 percent to ₦12.84 trillion in the second quarter of 2022, from ₦13.00 trillion in the first quarter of 2022. This represents a significant trade decline compared with the rebound of 11.05 percent growth recorded in the first quarter of 2022. The development in total trade was driven by significant contraction in imports even as exports continued to revamp in the review period. Imports fell by ₦0.47 trillion or 7.89 percent from ₦5.90 trillion in the first quarter of 2022, to ₦5.44 trillion in the review period. Exports however rose by ₦0.31 trillion or 4.31 percent to ₦7.41 trillion in the second

quarter of 2022, from ₦7.10 trillion recorded in the first quarter of 2022.

Analysis by export components indicates that the dominance of crude oil in the nation's exports in the review period increased by 0.61 percentage points from 79.16 percent in the first quarter of 2022 to 79.77 percent of total exports. Crude and Non-crude oil exports sub-components continued to recovered in the review period rising by ₦0.29 trillion or 5.11 percent and ₦0.02 trillion or 1.29 percent to ₦5.91 trillion and ₦1.50 trillion respectively during the review period. They both stood at from ₦5.62 trillion and ₦1.48 trillion respectively in the first quarter of 2022. The non-oil exports however contracted by ₦0.04 trillion or 5.61 percent to ₦0.68 trillion in the review period from ₦0.72 trillion in first quarter of the year.

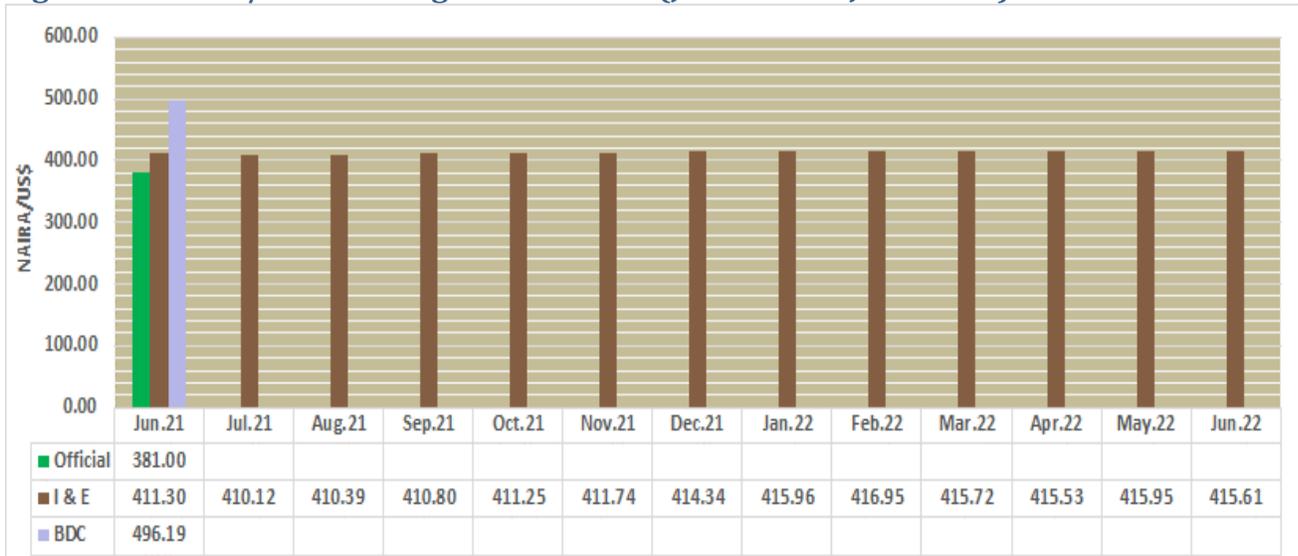
#### 2.2.4.2 Balance of Trade

The above developments led to significant improvement in the Nigerian trade balance which returned to surplus in the first quarter of 2022 after recording six consecutive quarters of deficit. The Nigerian trade balance stood at ₦1.97 trillion indicating a ₦0.77 trillion or 64.34 percent improvement in net trade from ₦1.20 trillion recorded in the first quarter of 2022. The improvement in trade balance was driven by the sharp increase in exports mostly as a result of the recovery in Crude Exports and Non-Crude Exports.

#### 2.2.4.3 Exchange Rates

The Investors and Exporters segment of the foreign exchange market unlike in the first quarter of 2022, appreciated slightly from ₦415.72/US\$ in March 2022 to ₦415.53/US\$ in April 2022 before depreciating further to ₦415.95/US\$ and ₦415.61/US\$ in May and June 2022 respectively. There was no data for the Official/Inter-Bank segment and Bureau-de-Change (BDC) segments of the foreign exchange market following the suspension of the operations of the Bureau-de-Change segment by Central Bank of Nigeria.

**Figure 2.5: Naira/US\$ Exchange Rates Trend (June 2021 – June 2022)**



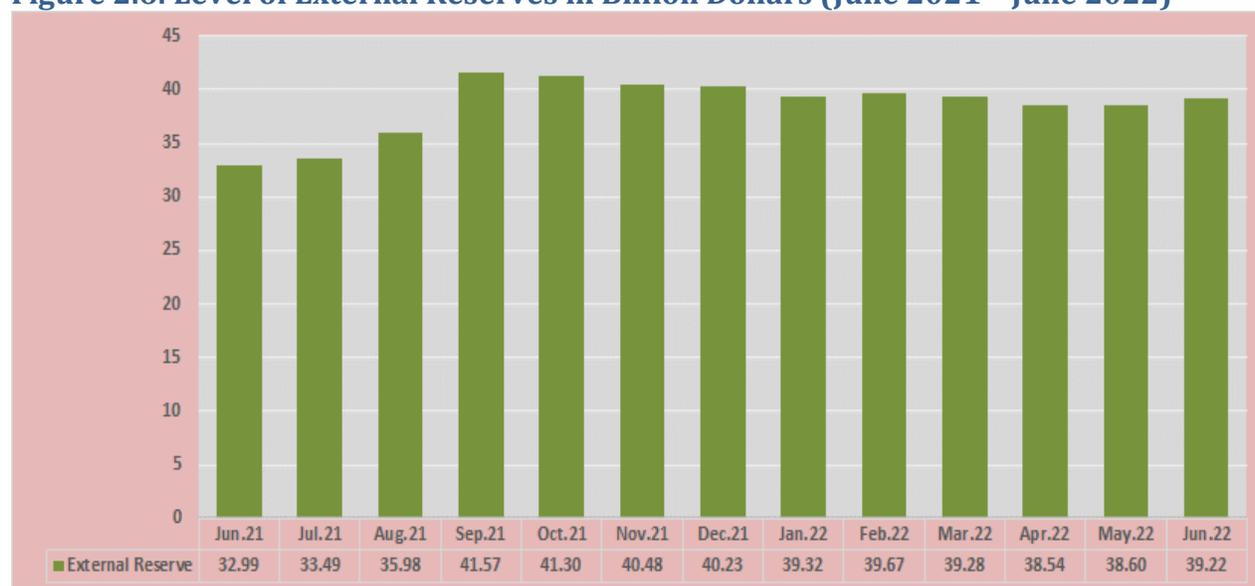
**Source:** Central Bank of Nigeria, 2022

#### 2.2.4.4 External Reserves

Figures from the CBN showed that Nigeria’s gross external reserve decreased at the end of the second quarter of 2022. It fell from US\$39.28 billion in March 2022 to US\$38.54 billion, US\$38.60 billion and US\$39.22 billion in April, May and June 2022 respectively.

The performance at the end of June 2022 represented a decrease of US\$0.06 billion (0.15 percent) below the figure reported at the end of March 2022. It was however, US\$6.23 billion (18.88 percent) above the US\$32.99 billion performance recorded at the end of second quarter of 2021. There are indications of anticipated increase in the level of external reserves in the subsequent quarters. This anticipation is due to the expected improvement in crude oil production and prices over the near term.

**Figure 2.6: Level of External Reserves in Billion Dollars (June 2021 – June 2022)**



**Source:** Central Bank of Nigeria, 2022

## 2.2.5 Debt Stock

### 2.2.5.1 Total Public Debt Stock

The total public debt stock as at 30<sup>th</sup> June, 2022 stood at ~~N~~42,845.88 billion (US\$103,312.80 million). This represents an increase of ~~N~~1,241.82 billion (2.98 percent) when compared to the ~~N~~41,604.06 billion reported at the end of March 2022. The breakdown consisted of US\$63,248.02 million (~~N~~26,230.22 billion) or 61.22 percent for domestic debt while the balance of US\$40,064.78 million (~~N~~16,615.66 billion) or 38.78 percent was for external debt stock. The total public Debt/GDP remained sustainable at a ratio of 23.24 percent as at the end of June 2022. This was below the country specific threshold of 25 percent and also significantly below the international threshold for comparator countries of 56 percent.

### 2.2.5.2 Domestic Debt Stock

The Federal Government's domestic debt stock stood at ~~N~~20,948.94 billion as at end of June 2022 representing an increase of ~~N~~804.91 billion (4.0 percent) above the ~~N~~20,144.03 billion recorded in the first quarter of 2022. It was also

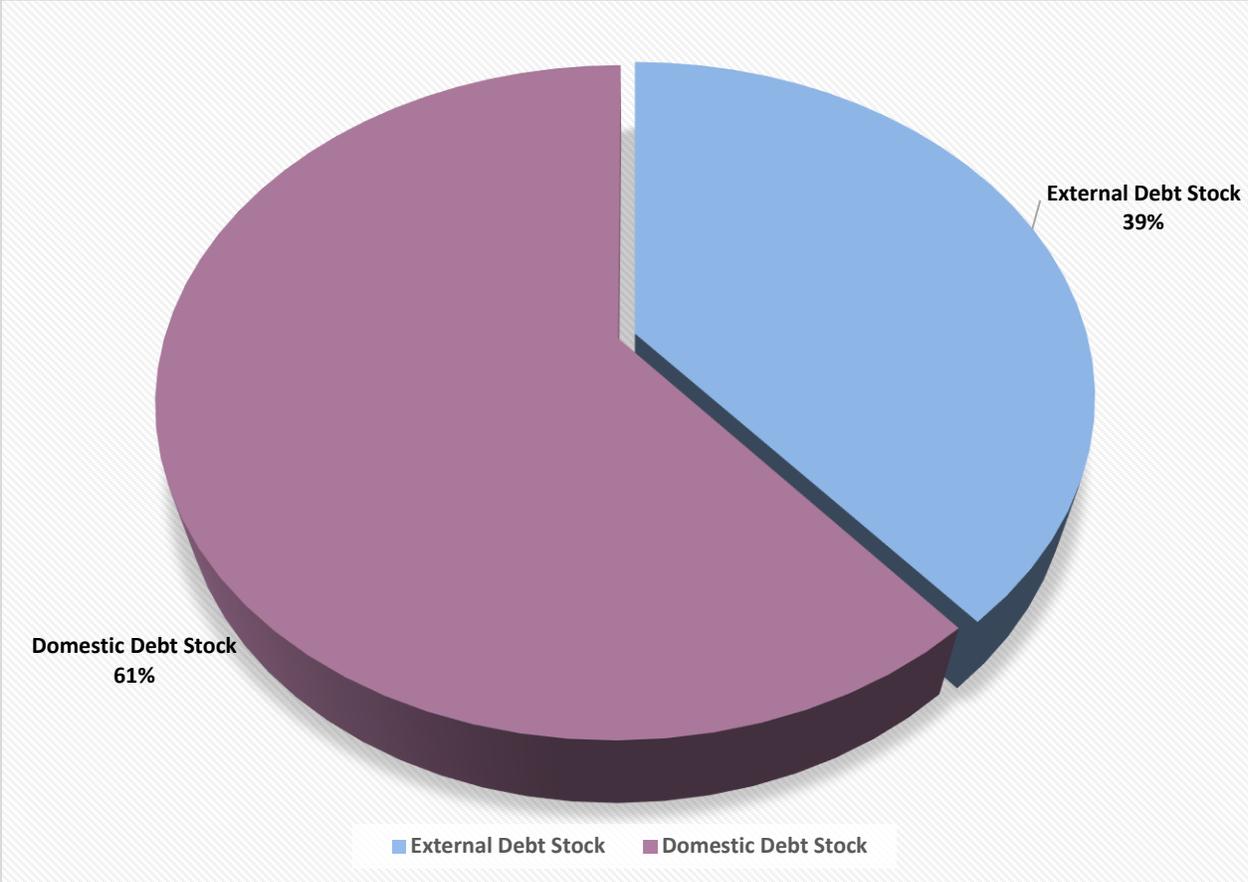
₦3,317.14 billion (18.81 percent) above the ₦17,631.80 billion reported in the same period of 2021. The increase in domestic debt relative to the first quarter of 2022 was due to the new issues of FGN bonds, Nigerian Treasury Bills and FGN Savings Bonds during the period.

A breakdown of the domestic debt stock as at 30<sup>th</sup> June, 2022 revealed that ₦15,194.10 billion (72.53 percent) is for FGN Bonds, ₦4,504.80 billion (21.50 percent) is for Nigerian Treasury Bills (NTBs), ₦75.99 billion (0.36 percent) is for Treasury Bonds, ₦20.87 billion (0.10 percent) is for FGN Savings Bond, ₦612.56 billion (2.92 percent) is for FGN Sukuk, ₦25.69 billion (0.12 percent) is for Green Bond and ₦514.94 billion (2.46 percent) is for Promissory Notes.

#### 2.2.5.3 External Debt Stock

Nigeria's external debt stock as at 30<sup>th</sup> June 2022, stood at US\$40,064.79 million indicating an increase of US\$95.60 million (0.24 percent) and US\$6,595.86 million (19.71 percent) above the US\$39,969.19 million and US\$33,468.93 million reported in the first quarter of 2022 and second quarter of 2021 respectively.

**Figure 2.7: Total Public Debt Stock (Second Quarter 2022)**



**Source:** Debt Management Office, 2022

A breakdown of the external debt stock as at 30<sup>th</sup> June, 2022 revealed that Multilateral Debts amounted to US\$19,157.42 million (47.82 percent), Non-Paris Club Bilateral Debts amounted to US\$4,700.83 million (11.73 percent), Commercial (Euro-Bond) amounted to US\$15,618.35 million (38.98 percent) while Promissory Notes accounted for the balance of US\$588.19 million (1.47 percent).

### 3.0 FINANCIAL ANALYSIS OF THE 2022 BUDGET IMPLEMENTATION

#### 3.1 Key Assumptions and Projections

The 2022 Budget was based on the 2022-2024 Medium Term Fiscal Framework and Fiscal Strategy Paper (MTFF/FSP) which was in line with the Government's National Development Plan 2021-2025. Table 3.1 presents the key assumptions and targets over the period 2016-2022.

**Table 3.1: Key Budget Assumptions and Targets, 2016 - 2022**

KEY ASSUMPTION & TARGETS	2016	2017	2018	2019	2020	2021	2022
Projected Production (in mbpd)	2.2	2.20	2.30	2.30	1.80	1.86	1.60
Budget Benchmark Price (per barrel in US)	38	44.50	51	60	28	40	73
<i>Technical Cost of JVC Pbl to Oil Companies</i>							
Operating Expenses (T1) in US \$	10.29	10.43	11.24	20.45	11.30	10.68	14.30
Capital Expenses (T2) in US \$	11.12	10.85	11.97	14.89	13.99	13.16	11.56
Petroleum Investment Allowance (10%)				0.51	0.34	0.25	0.35
<i>Technical Cost of PSC Pbl to Oil Companies</i>							
Operating Expenses (T1) in US \$	8.22	8.85	8.7	10.01	10.02	15.02	12.02
Capital Expenses (T2) in US \$	19.62	17.86	11.01	10.04	8.19	8.27	7.51
Investment Tax Credit	4.94	2.85	2.13	1.54	2.38	2.26	1.28
<i>Technical Costs of SC pbl to Oil Company</i>							
Operating Expenses (T1) in US \$	18.62	18.62	22.79	29.49			27.08
Capital Expenses (T2) in US \$	2.44	2.05	2.05	5.49			5.8
Investment Allowances	2.996	0.46	0.46	2.67			1.03
<i>Technical Costs of Independent pbl to Oil Company</i>							
Operating Expenses (T1) in US \$					12.43	11.74	15.73
Capital Expenses (T2) in US \$					15.39	14.48	12.71
Investment Allowances					0.37	0.27	0.44
Weighted Average Rate of PPT - JV Oil	85%	85%	85%	85%			85%
Weighted Average Rate of PPT - PSC Oil	50.17%	50.2%	50.2%	50.1%			50.1%
Weighted Average Rate of PPT - SC Oil	85%	85%	85%	85%			85%
Weighted Average Rate of PPT - Independent (Indigenou	85%	85%	85%	85%			85%
Weighted Average Rate of PPT - Marginal	51.6%	51.6%	85%	85%			85%
<i>Royalty Rates</i>							
Weighted Average Rate of Royalties - JV Oil	19.1%	19.1%	18.67%	18.67%			19.7%
Weighted Average Rate of Royalties - PSC	4.5%	4.5%	2.3%	2.83%			10.4%
Weighted Average Rate of Royalties - SC Oil	18.5%	18.5%	18.5%	18.50%			20%
Weighted Average Rate of Royalties -Independent	19.3%	19.3%	19.31%	19.31%			17.7%
Weighted Average Rate of Royalties - Marginal	9.3%	9.3%	9.3%	9.29%			4.1%
Average Exchange Rate (NGN/US\$)	197	305	305	305	360	379	410.15
VAT Rate	5%	5%	5%	5%	7.5%	7.5%	7.5%
CIT Rate	30%	30%	30%	30%	30%	30%	30%

**Source:** BOF, NNPC, FIRS and NCS, 2022

### 3.1.1 Budget Benchmark Oil Price and Production

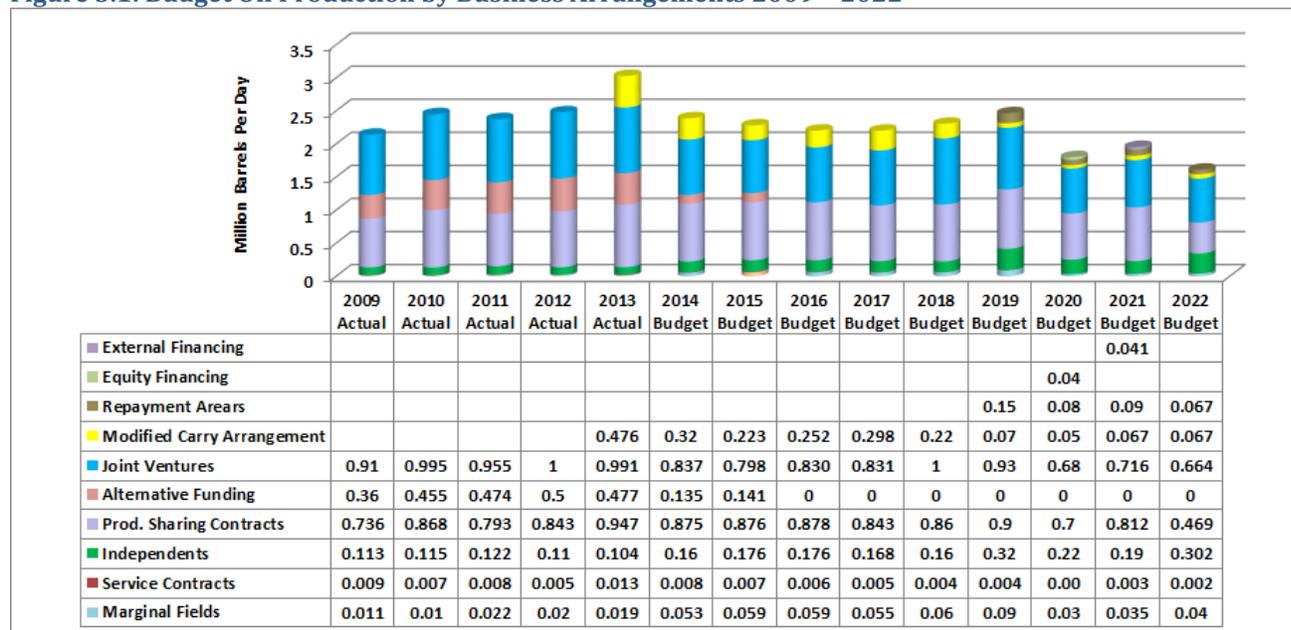
The benchmark price of oil for the 2022 Budget was pegged at US\$73/barrel while benchmark oil production was fixed at 1.6mbpd. This aligns with Government's continued use of benchmark oil production and prices for its yearly budgets so as to shield budget expenditures from the instabilities in the price of oil at the global market.

Budgeted crude oil output was projected downward from 1.86mbpd in 2021 to 1.60mbpd in 2022 while the cost outlay was projected to increase in 2022 as against 2021. The Technical Cost comprising average of operating and capital expenses were reviewed upward in the 2022 fiscal year when compared to the rates in 2021 for both the Joint Ventures (JVs) and the Independent Contracts. The average expenses [Capital (T1) and Operating (T2)] for the JVs production arrangement increased from US\$23.84 per barrel in 2021 to US\$25.86 per barrel in 2022 indicating an increase of US\$2.02 per barrel in the period.

The average expenses for the Independent Contracts also increased to US\$28.44 per barrel in 2022 from US\$26.22 per barrel in 2021. This was due to increase in Operating Expenses for Independent Contract. On the other hand, the average expenses [Capital (T1) and Operating (T2)] for the Production Sharing Contracts were adjusted downward from US\$23.29 per barrel in 2021 to US\$19.53 per barrel in 2022.

The share of oil production by business arrangement remained relatively stable with the JVs and PSCs dominating at approximately 39.8 and 28.1 percent respectively. The share of Independent Contract almost doubled from 9.72 percent in 2021 to 18.1 percent in 2022. Information on expected contributions of oil production by business arrangement are presented in Figure 3.1 while the analysis of contributions and duties for key oil taxes that are projected to accrue to the Federation are also represented in Table 3.2. These rates remained largely unchanged with the rates in the 2021 budget framework.

**Figure 3.1: Budget Oil Production by Business Arrangements 2009 – 2022**



Source: NAPIMS/NNPC, 2022

**Table 3.2: Detailed Assumptions for Oil Production and Taxes (2018 - 2022)**

Share of Oil Production	2018 Production Volume	2018 Percentage	2019 Production Volume	2019 Percentage	2020 Production Volume	2020 Percentage	2021 Production Volume	2021 Percentage	2022 Production Volume	2022 Percentage
Joint Ventures	1.00	43.48%	0.93	37.8%	0.68	37.60%	0.716	36.64%	0.664	39.8%
Alternative Funding									0	0.0%
External Financing							0.041	2.10%	0.056	3.4%
Modified Carry Arrangement	0.22	9.57%	0.07	2.8%	0.05	2.92%	0.067	3.43%	0.067	4.0%
Production Sharing Contracts	0.86	37.39%	0.90	36.7%	0.70	39.03%	0.812	41.56%	0.469	28.1%
Independents	0.16	6.96%	0.32	12.8%	0.22	11.96%	0.190	9.72%	0.302	18.1%
Service Contracts	0.004	0.17%	0.004	0.2%	0.00	0.18%	0.003	0.15%	0.002	0.1%
Marginal	0.06	2.61%	0.09	3.5%	0.03	1.86%	0.035	1.79%	0.04	2.4%
Base Production	2.30	100%	2.3	100%					1.6	
Repayment Arrears	0.21	8.37%	0.15	6.2%	0.08	4.26%	0.090	4.61%	0.067	4%
Equity Financing					0.04	2.18%				
Total Oil Production	2.51	100%	2.45	100%	1.80	100%	1.954	100.00%	1.667	100%
<b>PPT Rates</b>										
Weighted Average -JV/AF/Independent/Marginal		85%	85%			85%		85.00%		85%
Weighted Average -PSC		50.2%	50.10%			50.10%		50.12%		50.1%
Weighted Average -SC		85%	85%			85%		85.00%		85%
<b>Royalties Rates</b>										
Weighted Average-JV		18.67%	18.67%			18.67%		18.67%		19.7%
Weighted Average-Independent						19.31%		19.31%		17.7%
Weighted Average-Marginal						9.29%		9.29%		4.1%
Weighted Average-PSC		2.3%	2.83%			3.15%		10.00%		10.4%
Weighted Average-SC Oil		19.31%	19.31%			18.50%		18.50%		20%

Source: NNPC and BOF, 2022

## 3.2 Analysis of Revenue Performance

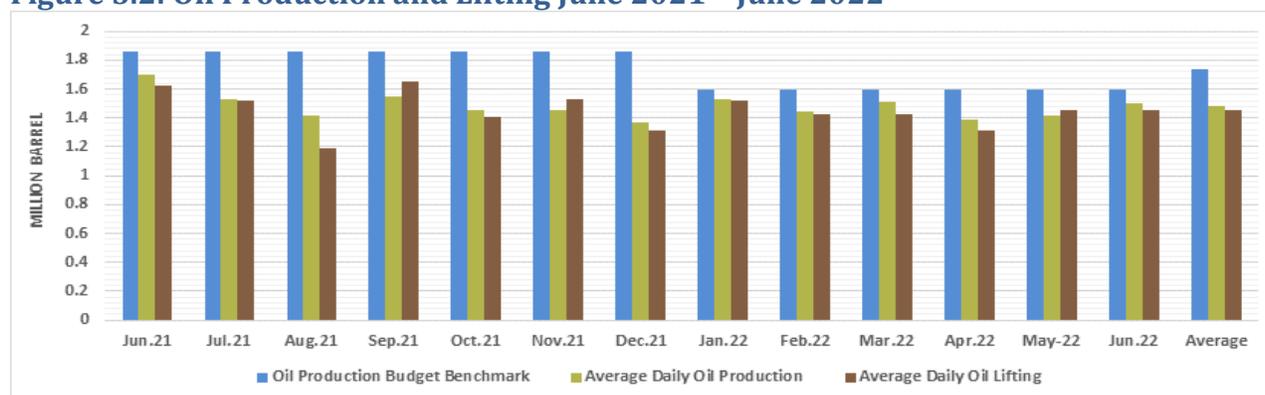
### 3.2.1 Performance of Key Oil Revenue Parameters

The price of crude oil at the international market averaged US\$113.78 per barrel in the second quarter of 2022, indicating an increase of US\$16.66 per barrel (17.15 percent) and US\$44.95 per barrel (65.31 percent) above US\$97.12 per barrel and US\$68.83 per barrel reported in the first quarter of 2022 and second quarter of 2021 respectively. It also represents an increase of US\$40.78 per barrel (55.86 percent) above the US\$73.0 per barrel oil price benchmark for the 2022 Budget.

The increase in crude oil price during the period could be attributed to the Russia-Ukraine war and numerous sanctions imposed by the United States and its allies against Russia which disrupted global oil production/supply. Another factor is the improvement in global economic activities after easing of the different phases of COVID-19 lockdown which resulted to increase in demand of crude oil at the international market.

Provisional data from the Nigerian National Petroleum Company (NNPC) revealed that the average oil production and lifting (including Condensates) in the second quarter of 2022 stood at 1.43mbpd and 1.38mbpd respectively. The oil production figure showed a decrease of 0.17mbpd (10.63 percent) below the 1.60mbpd benchmark for the 2022 Budget. The volume of oil production in the period was also 0.06mbpd (4.03 percent) and 0.18mbpd (11.18 percent) below 1.49mbpd and 1.61mbpd reported in the first quarter of 2022 and second quarter of 2021 respectively.

**Figure 3.2: Oil Production and Lifting June 2021 – June 2022**



**Source:** NNPC, 2022

The above translates to an average monthly oil production and lifting of 43.51 million barrels and 42.11 million barrels respectively in the first quarter of 2022. The decrease in the quantity of oil production during the quarter as against the projected budget figure could be ascribed to crude oil theft, vandalization of pipelines and other legacy issues in the sector.

### 3.3 Aggregate Revenue of the Federation

In the 2022 Fiscal Framework, Gross Federally Collectible Revenue is projected at ₦18,936.70 billion, comprising of ₦9,369.96 billion (49.48 percent) Oil Revenue and ₦9,566.74 billion (50.52 percent) Other Revenues. This translates to a prorated quarterly Gross Federally Collectible Revenue projection of ₦4,734.18 billion for 2022.

### 3.4 Oil Revenue Performance

Gross Oil Revenue stood at ₦1,239.97 billion in the second quarter of 2022. This translates to a ₦1,102.52 billion (47.07 percent) decrease when compared with the 2022 quarterly budget estimate of ₦2,342.49 billion. The performance was however ₦307.59 billion (32.99 percent) and ₦198.48 billion (19.06 percent) above the ₦932.38 billion and ₦1,041.49 billion generated in the first quarter of 2022 and corresponding period of 2021 respectively.

A breakdown of the oil revenue performance in the second quarter of 2022

showed that only Crude Oil & Gas Sales of ₦249.95 billion exceeded its quarterly estimate of ₦218.52 billion by ₦31.43 billion (14.38 percent). On the other hand, Petroleum Profit and Gas Taxes of ₦570.90 billion, Royalties (Oil & Gas) of ₦409.32 billion, Concessional Rentals of ₦0.53 billion, Gas Flared Penalty of ₦20.43 billion, Incidental Oil Revenue (Royalty Recovery & Marginal Field Licenses) of ₦11.60 billion and Miscellaneous (Pipeline fees etc.) of ₦2.94 billion fell below their quarterly projections. Specifically, they fell from ₦1,393.08 billion, ₦638.50 billion, ₦1.60 billion, ₦27.63 billion, ₦48.77 billion and ₦14.39 billion projected for the period by ₦822.17 billion (59.02 percent), ₦229.18 billion (35.89 percent), ₦1.08 billion (67.23 percent), ₦7.21 billion (26.08 percent), ₦37.17 billion (76.22 percent) and ₦11.45 billion (79.60 percent) respectively. Please see *Table 3.4*.

### **3.4.1 Net Oil Revenue**

The actual Net Oil Revenue that accrued into the Federation Account in the second quarter of 2022, was ₦151.10 billion, depicting a decrease of ₦983.63 billion (86.68 percent) from the estimated quarterly budget of ₦1,134.73 billion (see *Table 3.4*). The inflow was however, higher than the ₦91.20 billion net oil revenue performance recorded in the first quarter of 2022 by ₦59.91 billion (65.59 percent). It was also lower than the ₦516.72 billion reported in the corresponding period of 2021 by ₦365.62 billion (70.76 percent).

The low Net Oil Revenue performance in the second quarter of 2022 when compared with the quarterly projection could be attributed to the reduction in oil production and lifting which was also due to crude oil theft and pipe line vandalization during the period. It could also be attributed to the petroleum subsidy policy of Government (*Table 3.3*).

### **3.4.2 Half Year Oil Revenue Performance**

Gross Oil Revenue amounting to ₦2,172.35 billion was collected in the first half of 2022 as against ₦4,684.98 billion prorated budget projection for the period. This denotes a decrease of ₦2,512.63 billion (53.63 percent) below the 2022 half year budget estimate. It was however, an increase of ₦272.56 billion (14.35

percent) above the actual half year gross oil revenue performance reported in 2021. A breakdown of the revenue by sub-head showed that only Crude Oil and Gas Sales of ₦489.38 billion surpassed its half year projection of ₦437.03 billion by ₦52.35 billion (11.98 percent).

Other Oil Revenue items fell below their respective half year projections. Petroleum Profit and Gas Taxes of ₦909.56 billion, Royalties (Oil & Gas) of ₦750.93 billion, Concessional Rentals of ₦1.88 billion, Gas Flared Penalty of ₦39.19 billion, Incidental Oil Revenue (Royalty Recovery & Marginal Field Licenses) of ₦22.04 billion and Miscellaneous (Pipeline fees etc.) of ₦7.94 billion fell below their half year projections of ₦2,786.15 billion, ₦1,277.0 billion, ₦3.21 billion, ₦55.27 billion, ₦97.54 billion and ₦28.78 billion by ₦1,876.59 billion (67.35 percent), ₦526.07 billion (41.20 percent), ₦1.32 billion (41.26 percent), ₦16.08 billion (29.09 percent), ₦75.51 billion (77.41 percent) and ₦20.84 billion (72.40 percent) respectively (Table 3.4).

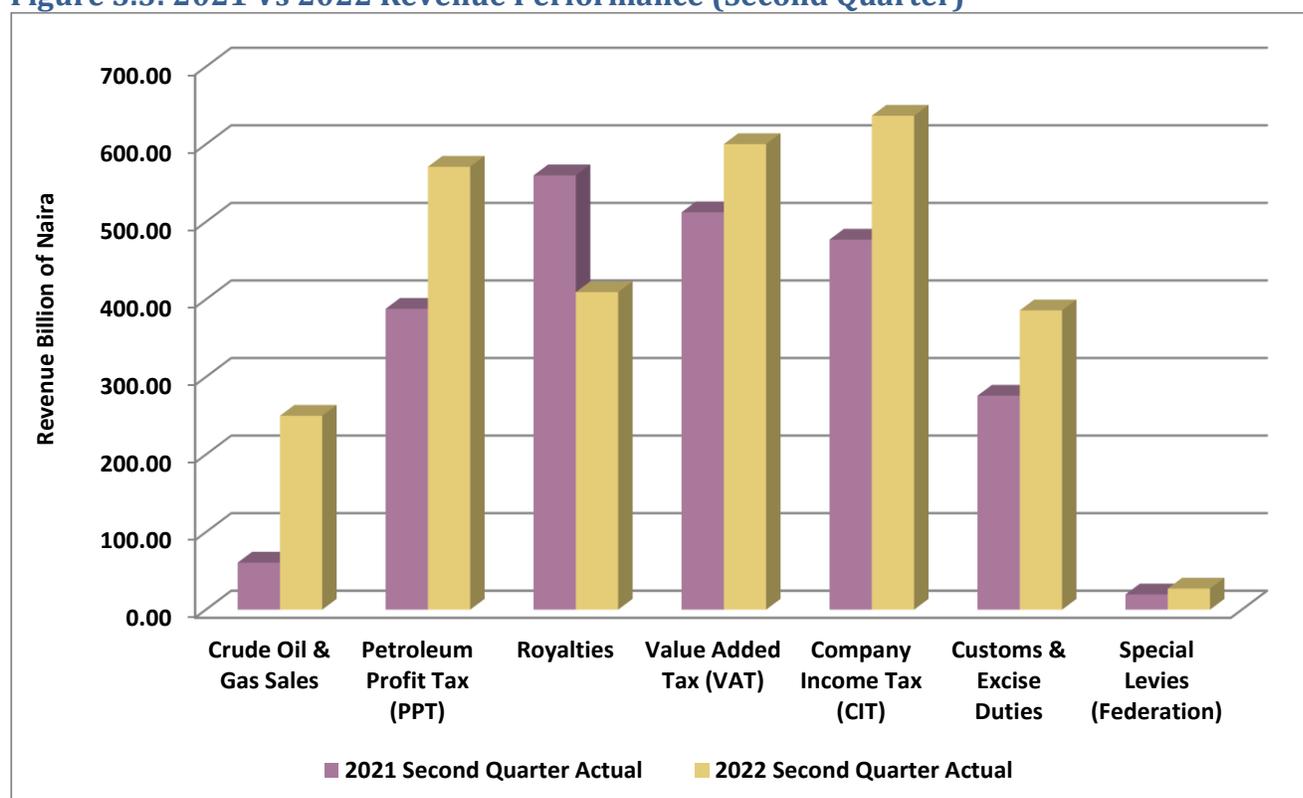
**Table 3.3: Performance of Revenue in the Second Quarter of 2022 Vs 2021**

Revenue Items	2021	2022	Variance	
	Second Quarter Actual	Second Quarter Actual	2nd Quarter 2022 Vs 2nd Quarter 2021	
<b>Oil Revenue</b>	<b>N'bens</b>	<b>N'bens</b>	<b>N'bens</b>	<b>%</b>
Crude Oil Sales	60.63	249.95	189.32	312.25
Petroleum Profit Tax (PPT)	387.84	570.90	183.06	47.20
Royalties	559.85	409.32	-150.53	-26.89
Gross Oil Revenue	1,041.49	1,239.97	198.48	19.06
Net Oil Receipts	516.72	151.10	-365.62	-70.76
<b>Non-Oil Revenue</b>				
Value Added Tax (VAT)	512.25	600.15	87.90	17.16
Company Income Tax (CIT)	477.03	636.69	159.66	33.47
Customs & Excise Duties	275.81	385.79	109.98	39.88
Special Levies	19.62	27.15	7.53	38.38
Gross Non-Oil Revenue	1,284.71	1,681.01	396.30	30.85
Net Non-Oil Receipts	1,192.73	1,576.74	384.01	32.20

**Source:** OAGF and Budget Office of the Federation, (PRMRC) 2022

Oil revenue performance improved when compared to the levels in 2021 for most of the revenue sources and broad category in the second quarter of 2022 (Figure 3.3). The Non-oil revenue items also performed better when compared to their respective levels in 2021. The increase in performance of the oil revenue could be credited to the increase in the price of crude in the international market due to the ongoing Russia and Ukraine war which disrupted production/supply chain. While the increase in non-oil revenue sources could be attributed to inflation and increases in economic activities after the phases of lockdowns due to the different waves of COVID-19.

**Figure 3.3: 2021 Vs 2022 Revenue Performance (Second Quarter)**



**Source:** OAGF and Budget Office of the Federation, 2022

### 3.5 Non-Oil Revenue Performance

Gross non-oil revenue amounting to ₦1,681.01 billion was received in the

second quarter of 2022 representing an increase of ₦16.17 billion (0.97 percent) above the quarterly estimate of ₦1,664.83 billion. A breakdown of the non-oil revenue items showed that only Company Income Tax of ₦636.69 billion was above its quarterly estimate of ₦496.95 billion by ₦139.74 billion (28.12 percent). Solid Minerals & Other Mining Revenue also recorded a revenue of ₦2.40 billion depicting an increase of ₦0.67 billion (38.53 percent) above its quarterly projection of ₦1.74 billion.

On the other hand, Value Added Tax of ₦600.15 billion, Electronic money Transfer Levy (EMTL) of ₦31.24 billion, Customs & Excise Duties of ₦385.79 billion and Special Levies of ₦27.15 billion were below their quarterly estimates of ₦610.45 billion, ₦52.70 billion, ₦464.64 billion and ₦40.09 billion by ₦10.30 billion (1.69 percent), ₦21.47 billion (40.73 percent), ₦78.86 billion (16.97 percent) and ₦12.94 billion (32.29 percent) respectively.

When compared with their corresponding first quarter performances, Company Income Tax, Value Added Tax, Electronic money Transfer Levy (EMTL) and Customs & Excise Duties grew by ₦93.28 billion (17.17 percent), ₦11.55 billion (1.96 percent), ₦2.35 billion (8.15 percent) and ₦18.40 billion (5.01 percent) respectively. Solid Minerals & Other Mining Revenue also increased by ₦0.21 billion (9.79 percent) while Special Levies on the other hand, fell by ₦0.17 billion (0.63 percent). The improved performances of most of the non-oil revenue items in the second quarter of 2022 could be ascribed to inflation and increases in economic activities as well as increased collection efficiency.

### **3.5.1 Half Year Non-Oil Revenue Performance**

The gross non-oil revenue in the first half of the year amounted to ₦3,236.60 billion portraying a decrease of ₦93.07 billion (2.80 percent) below the half year's estimate of ₦3,329.67 billion. This was an outcome from the slight underperformance of most of the non-oil revenue items when compared to their corresponding budget estimates. Only Company Income Tax of ₦1,180.09 billion was above its projected half year estimate by ₦186.20 billion (18.73

percent). Solid Minerals & Other Mining Revenue amounted to ₱4.60 billion, representing an increase of ₱1.12 billion (32.36 percent) above its half year projection. On the other hand, Value Added Tax of ₱1,188.75 billion, Electronic money Transfer Levy (EMTL) of ₱60.12 billion, Customs & Excise Duties of ₱753.17 billion and Special Levies of ₱54.47 billion fell short of their 2022 projected half year estimates by ₱32.15 billion (2.63 percent), ₱45.29 billion (42.97 percent), ₱176.12 billion (18.95 percent) and ₱25.72 billion (32.07 percent) respectively.

**Table 3.4: Net Distributable Revenue as at June, 2022 (Oil Revenue at Benchmark Assumptions)**

S/NO	DESCRIPTION	2022 APPROVED BUDGET			ACTUAL			VARIANCE					
		Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	2nd Quarter Actual Vs Quarterly Budget		2nd Quarter Actual Vs First Quarter		Half Year Actual Vs Half Year Budget	
A	OIL REVENUE	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%
1	Gross Profit Oil from Crude Oil & Gas Sales	874.06	218.52	437.03	239.43	249.95	489.38	31.43	14.38	10.51	4.39	52.35	11.98
2	PPT & Gas Income @ 30% CITA	5,572.31	1,393.08	2,786.15	338.66	570.90	909.56	-822.17	(59.02)	232.24	68.58	-1,876.59	(67.35)
3	Oil & Gas Royalties	2,554.00	638.50	1,277.00	341.61	409.32	750.93	-229.18	(35.89)	67.71	19.82	-526.07	(41.20)
4	Concessional Rentals	6.41	1.60	3.21	1.36	0.53	1.88	-1.08	(67.23)	-0.83	(61.32)	-1.32	(41.26)
5	Gas Flared Penalty	110.54	27.63	55.27	18.76	20.43	39.19	-7.21	(26.08)	1.66	8.86	-16.08	(29.09)
6	Incidental Oil Revenue (Royalty Recovery & Marginal Field Licences)	195.09	48.77	97.54	10.44	11.60	22.04	-37.17	(76.22)	1.16	11.11	-75.51	(77.41)
7	Miscellaneous (Pipeline Fees etc)	57.56	14.39	28.78	5.01	2.94	7.94	-11.45	(79.60)	-2.07	(41.40)	-20.84	(72.40)
8	Exchange Gain		0.00	0.00	-22.89	-25.69	-48.58	-25.69		-2.79	12.19	-48.58	
9	<b>Sub-Total</b>	<b>9,369.96</b>	<b>2,342.49</b>	<b>4,684.98</b>	<b>932.38</b>	<b>1,239.97</b>	<b>2,172.35</b>	<b>-1,102.52</b>	<b>(47.07)</b>	<b>307.59</b>	<b>32.99</b>	<b>-2,512.63</b>	<b>(53.63)</b>
10	Deductions											0.00	
11	Fiscal Deductions (Base JV Cash Call + EF + MCA + RA)	0.00	0.00	0.00	306.80	352.17	658.97	352.17		45.37	14.79	658.97	
12	Other Federally Funded Upstream Projects	4,152.80	1,038.20	2,076.40	724.01	1,005.11	1,729.12	-33.09	(3.19)	281.10	38.83	-347.28	(16.73)
13	NUPRC 4% Cost of Collection (Royalty, Concessional, Gas Flared & Miscellaneous)		0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
14	FIRS 4% Cost of Collection on Gas Income Tax		0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.00	
15	13% Derivation	678.23	169.56	339.12	117.17	83.76	200.93	-85.80	(50.60)	-33.41	(28.52)	-138.19	(40.75)
16	<b>Net Oil Revenue</b>	<b>4,538.93</b>	<b>1,134.73</b>	<b>2,269.46</b>	<b>91.20</b>	<b>151.10</b>	<b>242.30</b>	<b>-983.63</b>	<b>(86.68)</b>	<b>59.91</b>	<b>65.69</b>	<b>-2,027.16</b>	<b>(89.32)</b>
17	<b>TO FEDERATION ACCOUNT (OIL)</b>	<b>4,516.23</b>	<b>1,129.06</b>	<b>2,258.12</b>	<b>91.20</b>	<b>151.10</b>	<b>242.30</b>	<b>-977.95</b>	<b>(86.62)</b>	<b>59.91</b>	<b>65.69</b>	<b>-2,015.81</b>	<b>(89.27)</b>
B	<b>SOLID MINERALS &amp; OTHER MINING REVENUES</b>									0.00		0.00	
18	Total Solid Minerals Revenue	6.94	1.74	3.47	2.19	2.40	4.60	0.67	38.53	0.21	9.79	1.12	32.36
19	Less 13% Derivation	0.90	0.23	0.45	0.28	0.31	0.60	0.09	38.53	0.03	9.79	0.15	32.36
20	<b>Net Solid Minerals after Derivation</b>	<b>6.04</b>	<b>1.51</b>	<b>3.02</b>	<b>1.91</b>	<b>2.09</b>	<b>4.00</b>	<b>0.58</b>	<b>38.53</b>	<b>0.19</b>	<b>9.79</b>	<b>0.98</b>	<b>32.36</b>
C	<b>NON-OIL REVENUE</b>											0.00	
21	Corporate Tax	1,987.78	496.95	993.89	543.40	636.69	1,180.09	139.74	28.12	93.28	17.17	186.20	18.73
22	Value-Added Tax	2,441.80	610.45	1,220.90	588.60	600.15	1,188.75	-10.30	(1.69)	11.55	1.96	-32.15	(2.63)
23	Electronic Money Transfer Levy (EMTL)	210.82	52.70	105.41	28.88	31.24	60.12	-21.47	(40.73)	2.35	8.15	-45.29	(42.97)
24	Main Federation Account	1,858.57	464.64	929.29	367.38	385.79	753.17	-78.86	(16.97)	18.40	5.01	-176.12	(18.95)
25	Special Levies (Federation Account)	160.37	40.09	80.18	27.32	27.15	54.47	-12.94	(32.29)	-0.17	(0.63)	-25.72	(32.07)
26	<b>Sub-Total</b>	<b>6,659.34</b>	<b>1,664.83</b>	<b>3,329.67</b>	<b>1,555.59</b>	<b>1,681.01</b>	<b>3,236.60</b>	<b>16.17</b>	<b>0.97</b>	<b>125.42</b>	<b>8.06</b>	<b>-93.07</b>	<b>(2.80)</b>
27	FIRS Tax Refunds	25.00	6.25	12.50	12.00	5.00	17.00	-1.25	(20.00)	-7.00	(58.33)	4.50	36.00
28	4% Collection Cost (CIT, Stamp Duties & Capital Gains)	78.51	19.63	39.26	22.12	29.32	51.44	9.69	49.37	7.20	32.54	12.18	31.03
29	4% Collection Cost (VAT & Surcharge on Luxury Items)	97.67	24.42	48.84	22.66	22.32	44.98	-2.10	(8.59)	-0.34	(1.49)	-3.86	(7.90)
30	3% Transfer to North East Development Commission (NEDC) from VAT	70.32	17.58	35.16	16.95	17.28	34.24	-0.30	(1.69)	0.33	1.96	-0.93	(2.63)
31	0.5% Transfer to Nigerian Police Trust Fund from VAT	11.72	2.93	5.86	0.00	0.00	0.00	-2.93	(100.00)	0.00		-5.86	(100.00)
32	Value-Added Tax & Luxury Surcharge Net of Cost of Collection, and Transfers to NEDC and Police Trust Fund	2,262.08	565.52	1,131.04	548.99	560.55	1,109.54	-4.97	(0.88)	11.56	2.11	-21.50	(1.90)
33	7% Cost of Collection (Duty, Excise & Fees)	130.10	32.52	65.05	25.72	28.44	54.16	-4.08	(12.56)	2.72	10.59	-10.89	(16.74)
34	7% Cost of Collection (Spec. Levies -Fed. Acct.)	11.23	2.81	5.61	1.91	1.90	3.81	-0.91	(32.29)	-0.01	(0.64)	-1.80	(32.07)
35	<b>TO FEDERATION ACCOUNT (NON-OIL)</b>	<b>3,972.71</b>	<b>993.18</b>	<b>1,986.35</b>	<b>905.24</b>	<b>1,016.20</b>	<b>1,921.44</b>	<b>23.02</b>	<b>2.32</b>	<b>110.96</b>	<b>12.26</b>	<b>-64.92</b>	<b>(3.27)</b>
36	Total VAT Pool	2,262.08	565.52	1,131.04	548.99	560.55	1,109.54	-4.97	(0.88)	11.56	2.11	-21.50	(1.90)
37	<b>Net Non-Oil</b>	<b>6,234.78</b>	<b>1,558.70</b>	<b>3,117.39</b>	<b>1,454.23</b>	<b>1,576.74</b>	<b>3,030.97</b>	<b>18.05</b>	<b>1.16</b>	<b>122.52</b>	<b>8.42</b>	<b>-86.42</b>	<b>(2.77)</b>
38	<b>TO FEDERATION ACCOUNT</b>	<b>8,517.67</b>	<b>2,129.42</b>	<b>4,258.84</b>	<b>998.34</b>	<b>1,169.39</b>	<b>2,167.74</b>	<b>-960.03</b>	<b>(45.08)</b>	<b>171.05</b>	<b>17.13</b>	<b>-2,091.10</b>	<b>(49.10)</b>
39	Transfer to Police Trust Fund (0.5% of Federation Account)	42.59	10.65	21.29	0.00	0.00	0.00	-10.65	(100.00)	0.00		-21.29	(100.00)
D	<b>TOTAL DISTRIBUTABLE</b>							0.00				0.00	
1	Federation Account	8,475.08	2,118.77	4,237.54	998.34	1,169.39	2,167.74	-949.38	(44.81)	171.05	17.13	-2,069.80	(48.84)
2	VAT Pool Account	2,262.08	565.52	1,131.04	548.99	560.55	1,109.54	-4.97	(0.88)	11.56	2.11	-21.50	(1.90)
3	<b>GRAND TOTAL</b>	<b>10,737.16</b>	<b>2,684.29</b>	<b>5,368.58</b>	<b>1,547.33</b>	<b>1,729.94</b>	<b>3,277.27</b>	<b>-954.35</b>	<b>(35.55)</b>	<b>182.61</b>	<b>11.80</b>	<b>-2,091.31</b>	<b>(38.95)</b>

Source: OAGF and Budget Office of the Federation, 2022 (PRMRC)

**Table 3.5: Actual Performance of Non-Oil Revenue Categories (Second Quarter) 2013 – 2022**

Description	SECOND QUARTER (ACTUAL)										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	10 - Year Average
	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn
Customs & Excise Duties	43.87	61.47	55.87	46.09	139.59	157.62	199.36	195.82	275.81	385.79	156.13
Company Income Tax	85.22	110.75	74.20	79.93	206.38	315.13	442.38	387.52	477.03	636.69	281.52
Value Added Tax	26.03	26.09	27.31	26.16	243.31	264.00	311.94	327.20	512.25	600.15	236.44
FGN Independent Revenue	17.19	12.88	10.31	59.10	97.49	147.58	125.26	83.49	287.89	299.84	114.10

**Source:** OAGF and BOF, 2022

Further analysis of the second quarter non-oil revenue performance revealed that key non-oil revenue sub-heads generally improved overtime, especially from 2017. See Tables 3.5 and 3.6.

**Table 3.6: Percentage Growth in Non-Oil Revenue Performances (Second Quarter) 2014– 2022**

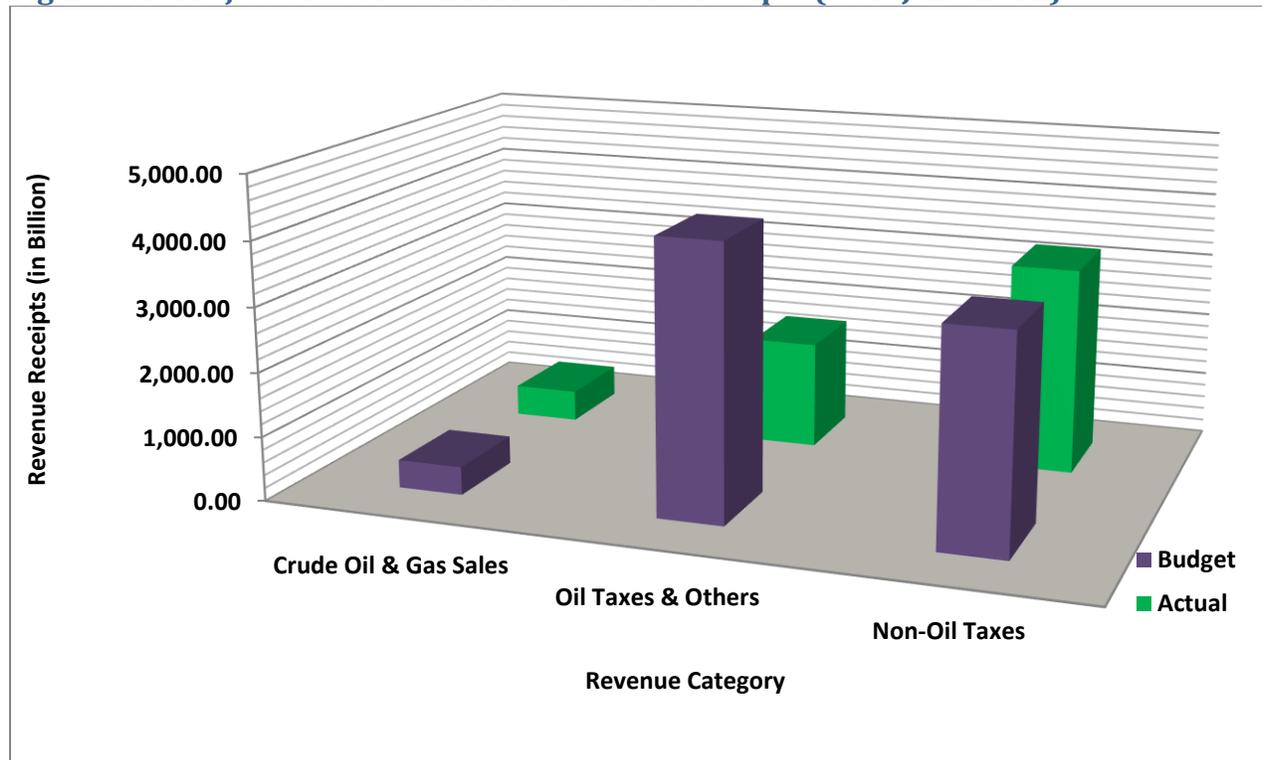
Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	9 - Year Average
Customs & Excise Duties	40.12%	-9.11%	-17.50%	202.86%	12.92%	26.48%	-1.78%	40.85%	39.88%	37.19%
Company Income Tax	29.96%	-33%	7.72%	158.20%	52.69%	40.38%	-12.40%	23.10%	33.47%	33.35%
Value Added Tax	0.23%	4.68%	-4.21%	830.08%	8.50%	18.16%	4.89%	56.56%	17.16%	104.01%
FGN Independent Revenue	-25.07%	-19.95%	473.23%	64.96%	51.38%	-15.12%	-33.35%	244.82%	4.15%	82.78%

**Source:** OAGF and BOF, 2022

### 3.6 Comparative Revenue Performance Analysis

A breakdown of the actual performance of revenue compared with budgeted estimates as at June ending 2022 revealed an improved performance of Crude Oil & Gas Sales. On the other hand, Oil Taxes and Non-Oil Taxes underperformed (Figure 3.4).

**Figure 3.4: Projected Vs Actual FAAC Revenue Receipts (as at June 2022)**



**Source:** Budget Office of the Federation, 2022

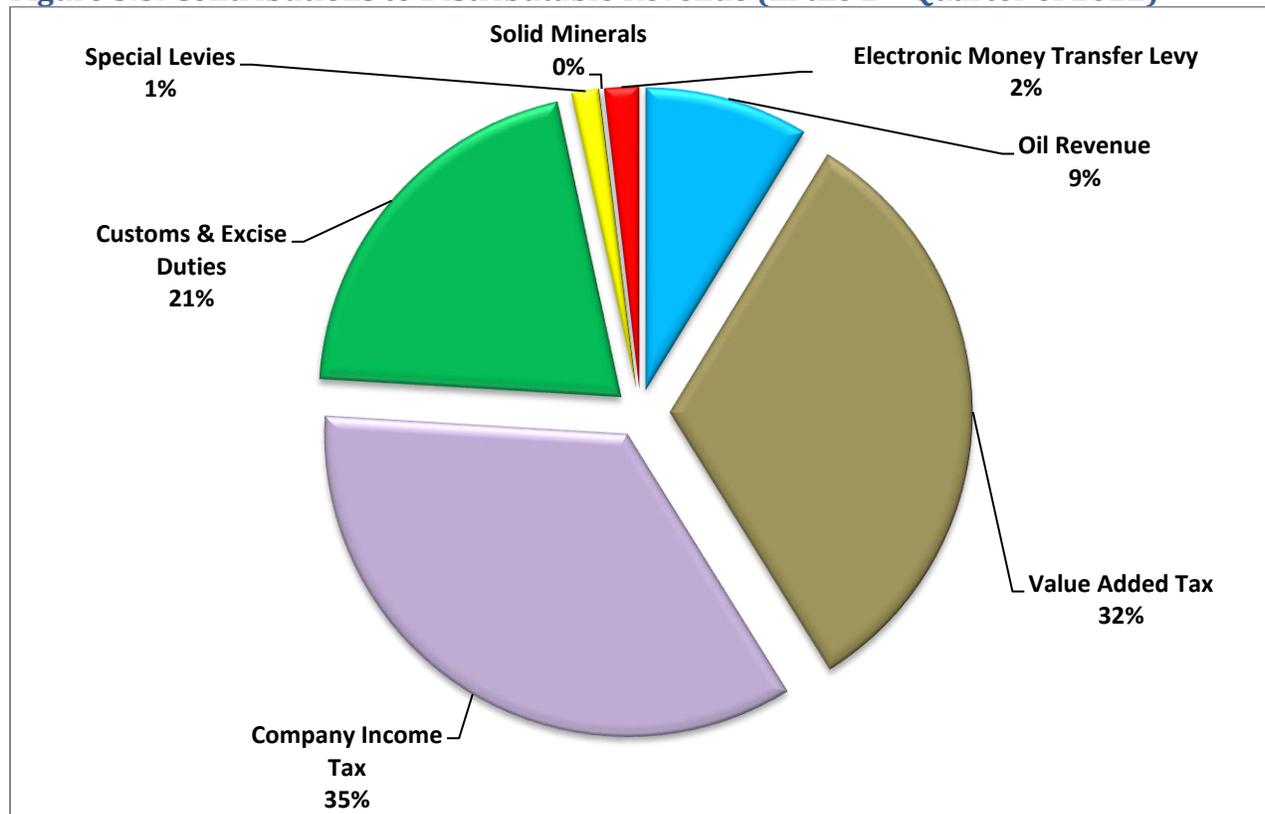
### 3.7 Distributable Revenue

The net revenue available for sharing among the three tiers of government (after the deduction of all costs) stood at ₦1,729.94 billion in the second quarter of 2022. This represents a shortfall of ₦954.35 billion (35.55 percent) when compared with the quarterly projection of ₦2,684.29 billion. The shortfall was largely attributable to the substantial reduction in the inflow into the Federation Account from the oil sector. The non-oil revenue accruing to the Federation Account increased by ₦23.02 billion (2.32 percent) and slightly augmented for the oil sector which fell by ₦977.95 billion (86.62 percent) during the review period.

The percentage contribution of the different revenue classifications to distributable revenue in the second quarter of 2022 is presented in Figure 3.5. Oil Revenue, VAT, CIT, Electronic Money Transfer Levy, Customs & Special Levies contributed 9 percent, 32 percent, 35 percent, 2 percent, 21 percent and

one percent respectively.

**Figure 3.5: Contributions to Distributable Revenue (in the 2<sup>nd</sup> Quarter of 2022)**



**Source:** Budget Office of the Federation, 2022

### 3.8 Excess Crude Account

The opening balance of the Excess Crude Account (ECA) was US\$35.37 million as at 1<sup>st</sup> April, 2022. The sum of US\$0.01 million was received as accrued interest on fund investment between March and May 2022. The sum of US\$35.0 million was withdrawn from the account during the period under review for the Procurement of 2X High Endurance Offshore Patrol Vessels. This resulted in a closing balance of US\$0.01 million as at 30<sup>th</sup> June, 2022 (Table 3.7).

**Table 3.7: Net Excess Crude Account Flow**

Description	2021 Actual			2022 Actual		
	First Quarter	Second Quarter	Half Year	First Quarter	Second Quarter	Half Year
<b>Inflows</b>						
Transfer to Excess Crude Oil Account	0	0		0	0	
Accrued Interest on Fund Investment	US\$0.002 million	US\$0.002 million	US\$0.004 million	US\$0.006 million	US\$0.005 million	US\$0.011 million
Reconciliation of Inflow and Outflow	0	0	0	0	0	0
<b>Total Inflow</b>	<b>US\$0.002 million</b>	<b>US\$0.002 million</b>	<b>US\$0.004 million</b>	<b>US\$0.006 million</b>	<b>US\$0.005 million</b>	<b>US\$0.011 million</b>
<b>Outflows</b>						
Consultancy Fee & Litigation Expenses	0	0	0	0	0	0
NSIA Payment for Fertilizer Purchase	0	0	0	0	0	0
Payment of Commission/Exchange Rate Loss on Transfers	0	0	0	0	0	0
Amount approved by Mr. President as advance payment for the purchase of Super Tucano Aircraft	0	0	0	0	0	0
Amount approved by Mr. President for the first batch of procurement of critical equipment for the Nigerian Army, Navy and Defence Intelligence Agency	0	0	0	0	0	0
Paris Club Refund to States & FCT	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
Charges for Breaking Investment	0	0	0	0	0	0
States Matching Grants to UBEC	0	0	0	0	0	0
Transfers to Nigerian Sovereign Investment Authority for Investment	0	0	0	0	0	0
Refurbishing and Remodelling of 107 Armoured Personnel Carrier (APC) Vehicles donated by Hashmite Kingdom of Jordan	0	US\$11.563 million	US\$11.563 million	0	0	0
Procurement of 3 XAW 109 Brand New Helicopters	0	0	0	0	0	0
Procurement of 2X High Endurance Offshore Patrol Vessels	0	0	0	0	US\$35.0 million	US\$35.0 million
<b>Total Outflow</b>	<b>0</b>	<b>US\$11.563 million</b>	<b>US\$11.563 million</b>	<b>0</b>	<b>US\$35.0 million</b>	<b>US\$35.0 million</b>
<b>Net Excess Crude Account</b>	<b>US\$0.002 million</b>	<b>(US\$11.561 million)</b>	<b>(US\$11.559 million)</b>	<b>US\$0.006 million</b>	<b>(US\$34.995 million)</b>	<b>(US\$34.989 million)</b>

**Source:** Office of the Accountant General of the Federation, 2022

### 3.9 FGN Budget Revenue

Based on the amended Budget Framework, the sum of ₦8,240.78 billion was projected to fund the Federal Budget in 2022, indicating a quarterly share of ₦2,060.19 billion. A total of ₦1,435.73 billion was received in the second quarter of 2022. This amount was ₦624.46 billion (30.31 percent) lower than the quarterly projection of ₦2,060.19 billion. It was however, ₦121.58 billion (9.25 percent) above the ₦1,314.15 billion recorded in the second quarter of 2021.

The sum of ₦417.55 billion that was received from oil sources in the second quarter of 2022 was also lower than the quarterly estimate of ₦547.59 billion by ₦130.04 billion (23.75 percent). FGN's share of Dividend (NLG) & Bank of Industry revenue stood at ₦46.85 billion, indicating a decrease of ₦2.08 billion (4.25 percent). The share of Solid Minerals & Mining revenue amounted to ₦1.01 billion in the quarter under review.

A breakdown of the non-oil revenue indicates that FGN's share of Company Income Tax of ₦291.02 billion, VAT of ₦79.72 billion and Electronic Money Transfer (Stamp Duty) of ₦13.62 billion were above their corresponding quarterly budget estimates of ₦227.33 billion, ₦79.17 billion and ₦7.34 billion by ₦63.69 billion (28.02 percent), ₦0.55 billion (0.69 percent) and ₦6.28 billion (85.47 percent) respectively.

FGN's share of Customs of ₦178.01 billion, Independent Revenue of ₦299.84 billion, Draw-Down from Special Levies Accounts of ₦33.0 billion and Education Tax (TETFUND) of ₦4.90 billion were, on the other hand, below their corresponding quarterly budget estimates of ₦208.53 billion, ₦654.05 billion, ₦75.0 billion and ₦76.50 billion by ₦30.52 billion (14.64 percent), ₦354.21 billion (54.16 percent), ₦42.0 billion (56.0 percent) and ₦71.60 billion (93.59 percent) respectively. The performance of FGN's Share of Signature Bonus of ₦70.21 billion was equal to its quarterly estimate while there were no contributions from FGN Share of Federation Account Levies, Oil Price Royalty, Domestic Recoveries and Grants & Donor Funding towards funding the budget during the quarter (Table 3.8).

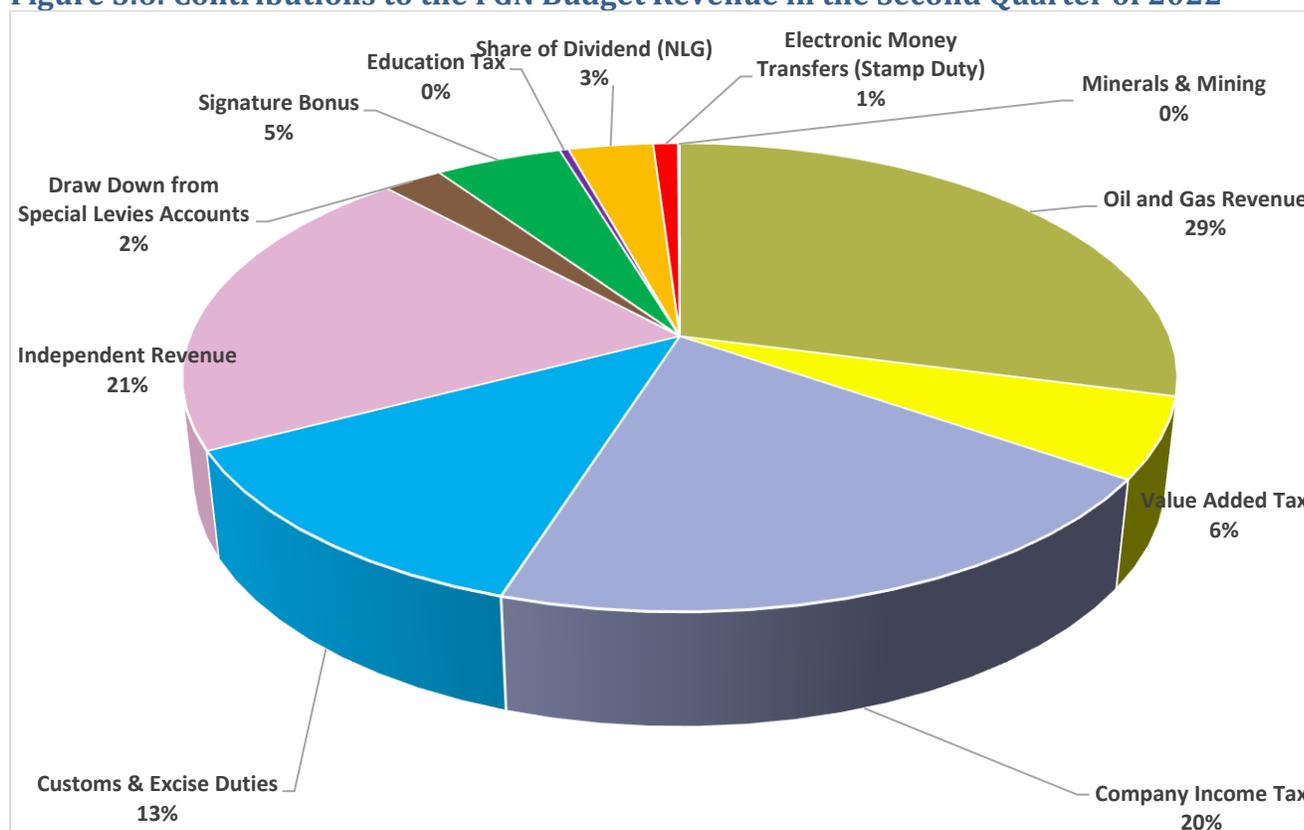
**Table 3.8: Inflows to the 2022 Federal Budget as at June 2022**

S/NO	ITEMS	2022 BUDGET			ACTUAL			VARIANCE					
		Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	Second Quarter Actual Vs Quarterly Budget	Second Quarter Actual Vs First Quarter Actual	Half Year Actual Vs Half Year Budget			
1	Inflow for the Federal Budget (GRF)	₦b	₦b	₦b	₦b	₦b	₦b	₦b	%	₦b	%	₦b	%
2	FGN Share of Oil Revenue	2,190.37	547.59	1,095.19	235.97	417.55	653.52	(130.04)	(23.75)	181.59	76.95	(441.67)	(40.33)
3	FGN Share of Dividend (NLNG) & Bank of Industry	195.72	48.93	97.86	46.85	46.85	93.70	(2.08)	(4.25)	-	-	(4.16)	(4.25)
4	FGN Share of Minerals & Mining	2.92	0.73	1.46	0.92	1.01	1.93	0.28	38.57	0.09	9.78	0.47	32.40
5	FGN Share of Non-Oil	2,132.08	533.02	1,066.04	402.78	548.75	951.52	15.72	2.95	145.97	36.24	(114.52)	(10.74)
6	FGN Share of Company Income Tax	909.30	227.33	454.65	159.86	291.02	450.88	63.69	28.02	131.16	82.05	(3.77)	(0.83)
7	FGN Share of VAT	316.69	79.17	158.35	74.35	79.72	154.08	0.55	0.69	5.37	7.22	(4.27)	(2.70)
8	FGN Share of Customs	834.12	208.53	417.06	168.57	178.01	346.57	(30.52)	(14.64)	9.44	5.60	(70.49)	(16.90)
9	FGN Share of Federation Account Levies	71.97	17.99	35.99	-	-	-	(17.99)	(100.00)	-	-	(35.99)	(100.00)
10	Electronics Money Transfer (Stamp Duty)	29.37	7.34	14.68	-	13.62	13.62	6.28	85.47	13.62	-	(1.07)	(7.26)
11	Share of Oil Price Royalty	96.94	24.24	48.47	-	-	-	(24.24)	(100.00)	-	-	(48.47)	(100.00)
12	FGN Independent Revenue	2,616.22	654.05	1,308.11	167.00	299.84	466.84	(354.21)	(54.16)	132.84	79.55	(841.27)	(64.31)
13	Draw-Down from Special Levies Accounts	300.00	75.00	150.00	32.14	33.00	65.14	(42.00)	(56.00)	0.86	2.68	(84.86)	(56.57)
14	FGN's Share of Signature Bonus	280.86	70.21	140.43	70.21	70.21	140.43	0.00	0.00	-	-	0.00	0.00
15	Domestic Recoveries+Assets+Fines	26.93	6.73	13.47	-	-	-	(6.73)	(100.00)	-	-	(13.47)	(100.00)
16	Grants and Donor Funding	63.38	15.84	31.69	-	-	-	(15.84)	(100.00)	-	-	(31.69)	(100.00)
17	Education Tax (TETFUND)	306.00	76.50	153.00	10.64	4.90	15.54	(71.60)	(93.59)	(5.74)	(53.91)	(137.46)	(89.84)
18	AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs)	8,240.78	2,060.19	4,120.39	966.50	1,435.73	2,402.23	(624.46)	(30.31)	469.23	48.55	(1,718.16)	(41.70)
19	Other Financing Sources	-	-	-	4.51	7.94	12.45	7.94	-	3.43	75.91	12.45	-
20	Exchange Rate Difference/Exces Bank Charges	-	-	-	4.51	7.94	12.45	7.94	-	3.43	75.91	12.45	-
21	TOTAL INFLOW	8,240.78	2,060.19	4,120.39	971.02	1,443.67	2,414.69	(616.52)	(29.93)	472.66	48.68	(1,705.70)	(41.40)

**Source:** OAGF and Budget Office of the Federation, 2022 (PRMRC)

Oil and Gas revenue accounted for 29.10 percent of total FGN revenue in the review period. The share of other revenue sources is as depicted in Figure 3.6.

**Figure 3.6: Contributions to the FGN Budget Revenue in the Second Quarter of 2022**

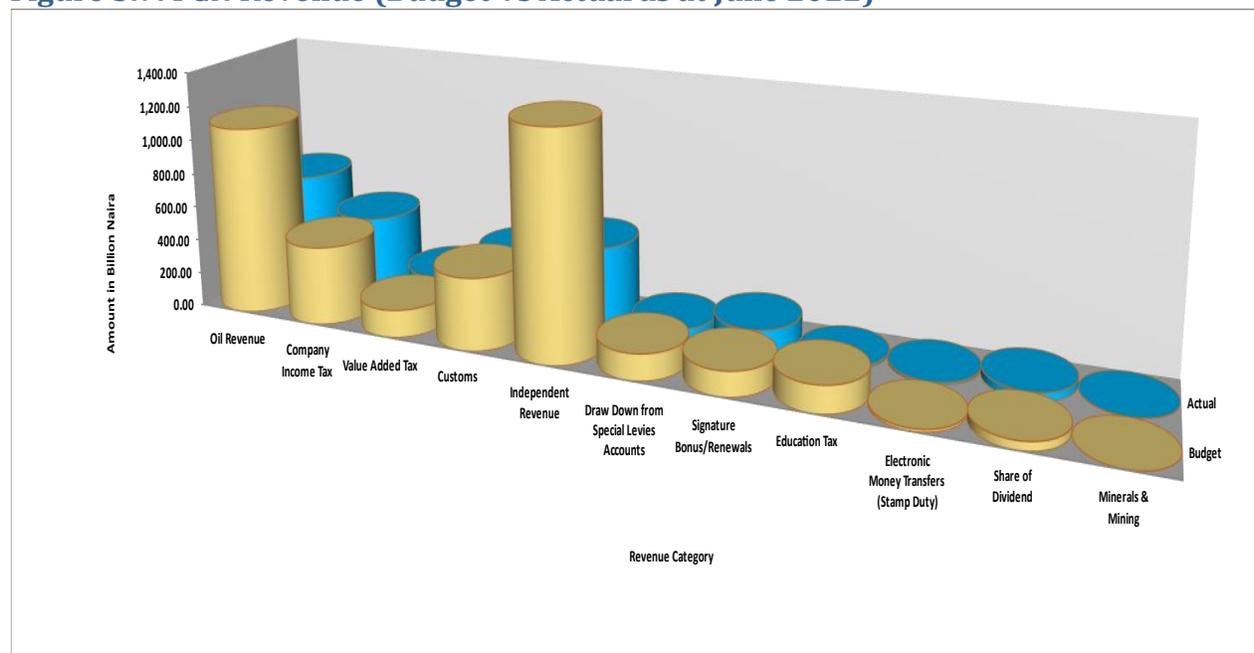


**Source:** The OAGF and Budget Office of the Federation, 2022

Note: This excludes FGN's Unspent Balances and FGN's Balances in Special Accounts and Other Funding Sources

The Independent revenue contributed largely to the revenue shortfall experienced by FGN in the quarter under review accounting for ₦354.21 billion (56.63 percent) of the entire revenue shortfall. Other major contributors included FGN's Share of Oil Revenue and Education Tax (TETFUND) which accounted for ₦130.04 billion (20.79 percent) and ₦71.60 billion (11.45 percent) respectively.

**Figure 3.7: FGN Revenue (Budget Vs Actual as at June 2022)**



**Source:** The OAGF and Budget Office of the Federation, 2022

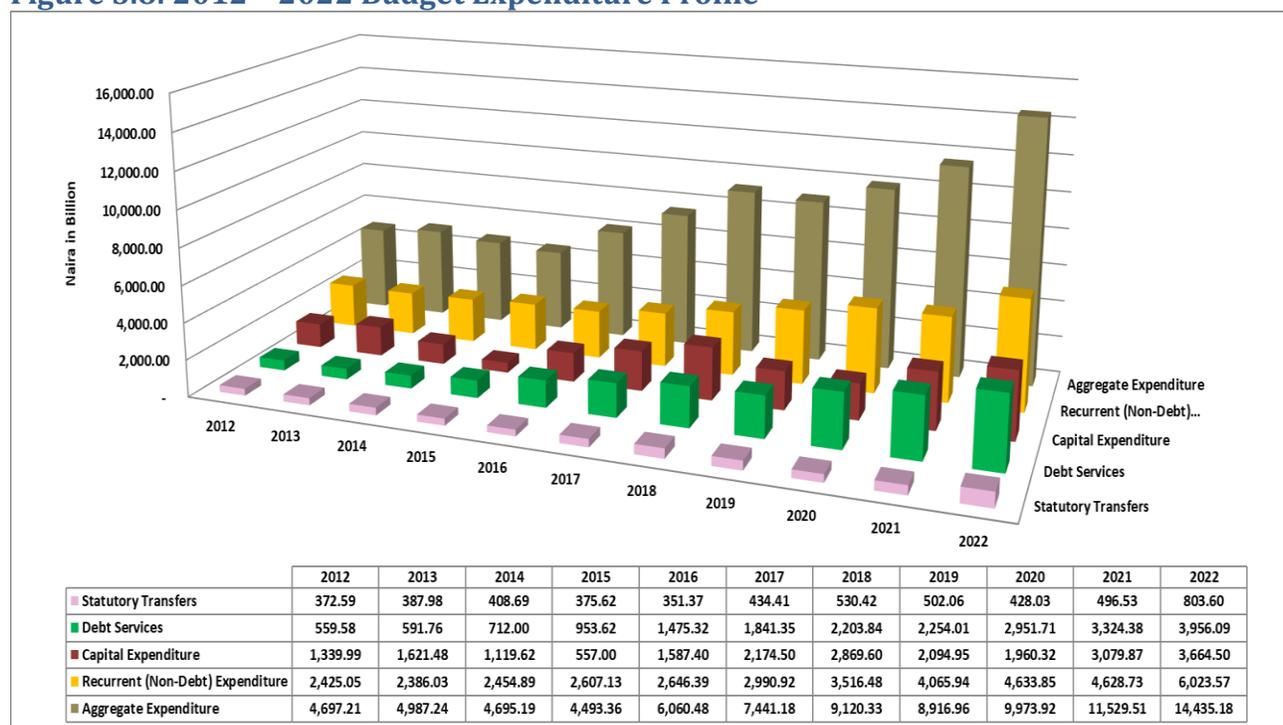
### 3.9.1 Total Inflow of the Federal Government

Total Retained Revenue of the Federal Government stood at ₦2,414.68 billion in the first half of 2022. This represents a ₦1,705.71 billion (41.40 percent) shortfall from 2022 half year prorated budget estimate.

### 3.10 Expenditure Developments

A total of ₦14,447.76 billion (excluding GOEs Budget & Project-tied Loans) was appropriated for expenditure in the 2022 Budget. This comprises of ₦6,023.57 billion (41.69 percent) for Recurrent (Non-Debt), ₦3,956.09 billion (27.38 percent) for Debt Service, ₦803.60 billion (5.56 percent) for Statutory Transfers and ₦3,664.50 billion (25.36 percent) for Capital Expenditure. This translates to prorated quarterly expenditure outlay of ₦3,611.94 billion in 2022. Actual expenditure amounts to ₦3,398.64 billion in the second quarter of 2022, translating to a ₦213.30 billion (5.91 percent) expenditure below the quarterly budget projection for the year. The detailed breakdown is presented in Table 3.9.

**Figure 3.8: 2012 - 2022 Budget Expenditure Profile**



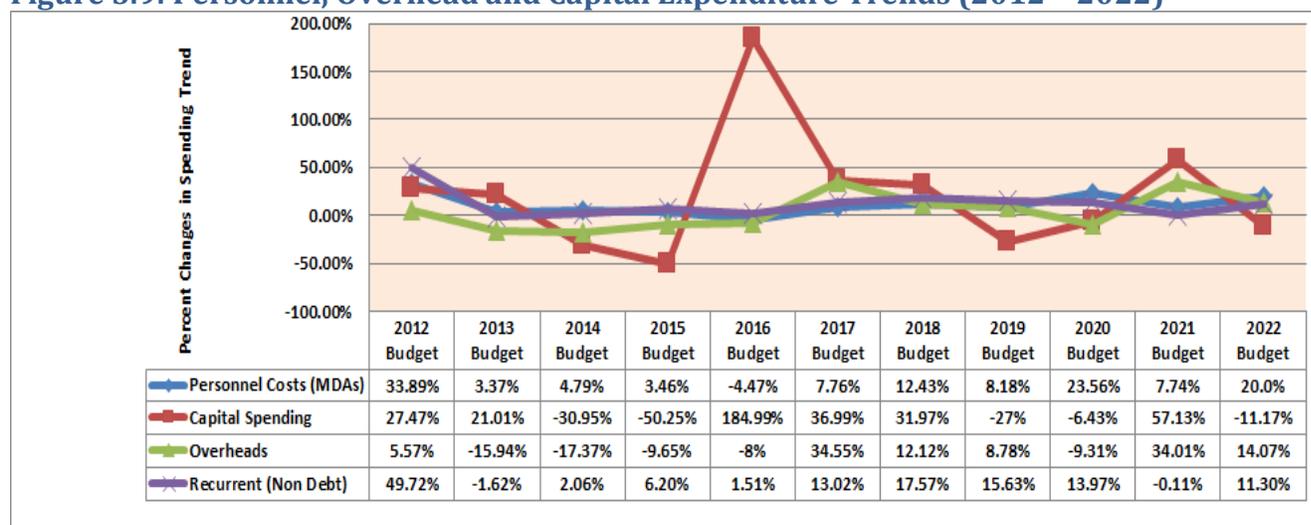
**Source:** Budget Office of the Federation, 2022

### 3.10.1 Non-Debt Recurrent Expenditure

The FGN continued to focus on its goal of reducing the growth in its recurrent expenditure as stated in the 2022-2024 MTEF/FSP. Key initiatives aimed at reducing recurrent costs were therefore pursued vigorously during the period. This includes the embargo on unauthorised recruitment by MDAs. All requests for recruitment and enrolment of staff into the FGN payroll are therefore required to among others first seek clearance from Budget Office of the Federation. Another is the continuous roll out of the Integrated Payroll and Personnel Information System (IPPIS) to MDAs that are yet to be covered by the scheme.

A total of ₦1,271.55 billion was spent on non-debt recurrent expenditure in the second quarter of 2022. This amount reflects a decrease of ₦234.34 billion (15.56 percent) from the quarterly estimate of ₦1,505.89 billion (details in Figure 3.8). The performance was however ₦92.63 billion (7.86 percent) and ₦134.0 billion (11.78 percent) above the ₦1,178.92 billion and ₦1,137.55 billion levels of expenditure reported in the first quarter of 2022 and second quarter of 2021 respectively.

**Figure 3.9: Personnel, Overhead and Capital Expenditure Trends (2012 - 2022)**



**Source:** BOF and OAGF, 2022

### 3.10.2 Debt Service

Total Debt Service in the second quarter of 2022 stood at ₦1,351.90 billion indicating an increase of ₦362.88 billion (36.69 percent) above the ₦989.02 billion projected for the quarter. This was mainly as a result of the ₦365.82 billion paid as interest on Ways and Means which did not have any budgetary provision in the review period. A total of ₦664.73 billion was used to service FGN domestic debt during the quarter. This indicates a difference of ₦24.19 billion (3.78 percent) below the prorated quarterly estimate.

The prorated sum of external debt service was ₦280.81 billion during the quarter under review. Actual external debt service payment however amounted to ₦321.36 billion (US\$597.95 million) indicating a difference of ₦40.55 billion (14.44 percent) above the prorated sum.

**Table 3.9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at June 2022**

S/NO	ITEMS	2022 BUDGET			ACTUAL			VARIANCE					
		Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	Second Quarter Actual Vs Quarterly Budget		Second Quarter Actual Vs First Quarter Actual		Half Year Actual Vs Half Year Budget	
		Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%
<b>A</b>	<b>AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs)</b>	8,240.78	2,060.19	4,120.39	966.50	1,435.73	2,402.23	(624.46)	(30.31)	469.23	48.55	(1,718.16)	(41.70)
1	Exchange Rate Difference/Exces Bank Charges	-	-	-	4.51	7.94	12.45	7.94		3.43	75.91	12.45	
2	<b>TOTAL INFLOW</b>	8,240.78	2,060.19	4,120.39	971.01	1,443.67	2,414.68	(616.53)	(29.93)	472.66	48.68	(1,705.71)	(41.40)
<b>B</b>	<b>EXPENDITURE:</b>												
1	<b>RECURRENT NON-DEBT:</b>												
2	Personnel Cost	3,655.77	913.94	1,827.88	861.51	854.86	1,716.37	(59.08)	(6.46)	(6.65)	(0.77)	(111.51)	(6.10)
3	CRF Pensions	577.86	144.47	288.93	92.93	98.13	191.05	(46.34)	(32.08)	5.20	5.59	(97.88)	(33.88)
4	Overhead Cost	371.73	92.93	185.86	112.66	138.37	251.03	45.44	48.89	25.71	22.82	65.17	35.06
5	Other Service Wide Votes (+ Gavi/Immunization)	987.92	246.98	493.96	95.58	163.95	259.52	(83.03)	(33.62)	68.37	71.54	(234.44)	(47.46)
6	Presidential Amnesty Programme	65.00	16.25	32.50	16.25	16.25	32.50	-	-	-	-	-	-
7	Teffund-Recurrent	15.30	3.83	7.65	-	-	-	(3.83)	(100.00)	-	-	(7.65)	(100.00)
8	SPECIAL INTERVENTION (Recurrent)	350.00	87.50	175.00	-	-	-	(87.50)	(100.00)	-	-	(175.00)	(100.00)
9	<b>Sub-Total (Non-Debt)</b>	6,023.57	1,505.89	3,011.79	1,178.92	1,271.55	2,450.47	(234.34)	(15.56)	92.63	7.86	(561.31)	(18.64)
10	Domestic Debts Service	2,562.15	640.54	1,281.07	668.69	664.73	1,333.41	24.19	3.78	(3.96)	(0.59)	52.34	4.09
11	Foreign Debts	1,123.23	280.81	561.61	228.35	321.36	549.70	40.55	14.44	93.01	40.73	(11.91)	(2.12)
12	Total Debt Service	3,685.38	921.34	1,842.69	897.03	986.09	1,883.12	64.74	7.03	89.06	9.93	40.43	2.19
13	Interest on Ways & Means	-	-	-	348.92	365.82	714.74	365.82		16.90	4.84	714.74	
14	Sinking Fund to Retire Maturing Loans	270.71	67.68	135.36	-	-	-	(67.68)	(100.00)	-	-	(135.36)	(100.00)
15	<b>Sub-Total (Debts)</b>	3,956.09	989.02	1,978.04	1,245.95	1,351.90	2,597.85	362.88	36.69	105.96	8.50	619.81	31.33
16	<b>Total Recurrent Expenditure</b>	9,979.66	2,494.92	4,989.83	2,424.87	2,623.46	5,048.33	128.54	5.15	198.59	8.19	58.49	1.17
17	<b>CAPITAL EXPENDITURE</b>												
18	Capital Dev. Fund (Main)-2021 in 2022	-	-	-	1,240.31	-	1,240.31	-		(1,240.31)	(100.00)	1,240.31	
19	Capital Dev. Fund (Main)-2022	2,750.89	687.72	1,375.45	485.50	557.63	1,043.13	(130.10)	(18.92)	72.12	14.86	(332.32)	(24.16)
20	Capital Supplementation	455.59	113.90	227.79	147.24	14.99	162.22	(98.91)	(86.84)	(132.25)	(89.82)	(65.57)	(28.78)
21	Special Intervention (Capital)	7.00	1.75	3.50	-	-	-	(1.75)	(100.00)	-	-	(3.50)	(100.00)
22	TETFUND Capital Expenditure	290.70	72.67	145.35	-	-	-	(72.67)	(100.00)	-	-	(145.35)	(100.00)
23	Grants and Donor Funded Projects	63.38	15.84	31.69	-	-	-	(15.84)	(100.00)	-	-	(31.69)	(100.00)
24	FGN Share of Oil Price Royalty Transferred to NS	96.94	24.24	48.47	-	-	-	(24.24)	(100.00)	-	-	(48.47)	(100.00)
25	<b>Total Capital Expenditure</b>	3,664.50	916.13	1,832.25	1,873.05	572.62	2,445.67	(343.51)	(37.50)	(1,300.43)	(69.43)	613.42	33.48
26	<b>TRANSFERS</b>												
27	Statutory Transfers	803.60	200.90	401.80	217.42	202.57	419.98	1.67	0.83	(14.85)	(6.83)	18.18	4.53
28	<b>TOTAL FGN BUDGET (Exclusive of GOEs Budget &amp; Project-tied Loans)</b>	14,447.76	3,611.94	7,223.88	4,515.34	3,398.64	7,913.98	(213.30)	(5.91)	(1,116.69)	(24.73)	690.10	9.55
29	Fiscal Deficit (Excluding GOEs Budget & Project-tied Loans)	(6,206.98)	(1,551.75)	(3,103.49)	(3,544.32)	(1,954.97)	(5,499.29)	(403.23)	25.99	1,589.35	(44.84)	(2,395.80)	77.20
<b>C</b>	<b>FINANCING ITEMS</b>												
1	Privitization Proceeds	90.73	22.68	45.37	-	-	-	(22.68)	(100.00)	-	-	(45.37)	(100.00)
2	Multi-lateral / Bi-lateral Project-tied Loans	1,155.82	288.96	577.91	-	-	-	(288.96)	(100.00)	-	-	(577.91)	(100.00)
3	Foreign Borrowing	2,569.93	642.48	1,284.97	-	510.21	510.21	(132.27)	(20.59)	510.21		(774.75)	(60.29)
4	Domestic Borrowing	3,533.74	883.43	1,766.87	950.00	1,350.00	2,300.00	466.57	52.81	400.00	42.11	533.13	30.17
5	<b>Sub-Total</b>	7,350.22	1,837.56	3,675.11	950.00	1,860.21	2,810.21	22.66	1.23	910.21	95.81	(864.90)	(23.53)
6	<b>Sub-Total (Exclusive of Project-tied Loans)</b>	6,194.40	1,548.60	3,097.20	950.00	1,860.21	2,810.21	311.61	20.12	910.21	95.81	(286.99)	(9.27)
7	<b>Net Deficit/Surplus (Excluding GOEs Budget &amp; Project-tied Loans)</b>	(12.58)	(3.15)	(6.29)	(2,594.32)	(94.76)	(2,689.08)	(91.61)	2,912.32	2,499.56	(96.35)	(2,682.79)	42,641.59
8	<b>Grand Total (Revenue + Financing Items)</b>	14,435.18	3,608.79	7,217.59	1,921.02	3,303.88	5,224.90	(304.91)	(8.45)	1,382.87	71.99	(1,992.69)	(27.61)

Note: 1. The total Expenditure and the Financing Items does not include Multi/Bi-lateral Projected Loans  
2. Cash Assets recovered under final forfeiture of N7.145bn is yet to be processed

**Source: OAGF and Budget Office of the Federation, 2022**

### **3.10.3 Statutory Transfers**

A total of ₦202.57 billion was released as Statutory Transfers in the second quarter of 2022 which was ₦1.67 billion (0.83 percent) above the quarterly projection of ₦200.90 billion. It is important to note that funds under this subhead are released quarterly to beneficiaries subject to budgetary provisions, needs and availability of funds.

### **3.10.4 Capital Expenditure Performance**

Government's available financial resources continued to be directed to structural reform of the economy and the provision of critical infrastructure in the roads, power, housing, rail and aviation sectors as well as the provision of physical and food security. In view of this, a total of ₦3,664.50 billion (excluding capital expenditure of Statutory Transfers, GOEs and project tied loans) was allocated to capital spending in the 2022 Budget.

#### ***Capital Release***

The release of funds to MDAs for capital expenditure in the second quarter of 2022 was done in tranches based on availability of resources and government priorities. Data from the OAGF on 2022 capital performance for MDAs as at 30<sup>th</sup> June, 2022 showed that a total of ₦1,283.84 billion was released to MDAs and cash-backed for 2022 capital projects and programmes. The sum of ₦1,080.99 billion was released as First Tranche and ₦202.85 billion as AIEs Service Wide.

#### ***MDAs' Capital Vote Utilization***

Available fiscal data revealed that ₦941.72 billion (73.35 percent) of the total amount released and cash-backed was utilized by MDAs as at 30<sup>th</sup> June, 2022. *Appendix 1* to this Report shows the funds released to the MDAs and utilized during the period. A breakdown of the forty-four (44) MDAs included in the report of the Office of the Accountant-General of the Federation (OAGF) indicates different levels of utilization. Twenty-six (59.09 percent) of the MDAs

had utilized more than the overall average utilization rate of 73.35 percent of the amount cash-backed. Twenty out of them had 100 percent utilization rate while twenty-four out of them had above 90 percent utilization rate. The utilization report also revealed that twenty-eight (63.64 percent) of the MDAs had above 50 percent utilization rate of their cash-backed funds. Thirteen (29.55 percent) of the MDAs had below fifty percent utilization rates while ten (22.73 percent) of the MDAs had below thirty percent utilization rates. However, three MDAs (6.82 percent) were yet to utilize their funds.

The utilization rate as at 30<sup>th</sup> June, 2022 was low because most of the MDAs were still undergoing their procurement processes. It is expected that more funds will be released for capital projects/programmes and utilization rates will also increase in the subsequent quarters of the year.

**Table 3.10: 2022 Capital Budget Utilization by MDAs (as at 30<sup>th</sup> June, 2022)**

MDA	Annual Appropriation	Total Amount Released	Total Amount Cash Backed	Utilization		
				Utilization	As % of Annual Capital Appropriation	Percentage of Releases
Federal Ministry of Works & Housing	515,951,169,699	159,556,734,900	159,556,734,900	159,556,734,900	30.92	100.0
Transport	174,938,226,326	47,215,866,444	47,215,866,444	1,083,211,187	0.62	2.29
Agriculture	386,650,835,220	36,604,897,420	36,604,897,420	8,342,866,311	2.16	22.79
Water Resources	163,569,538,678	48,905,563,560	48,905,563,560	5,556,297,338	3.40	11.36
Education	216,330,080,734	55,786,634,822	55,786,634,822	2,804,913,322	1.30	5.03
Health	207,389,943,865	32,792,088,588	32,792,088,588	4,653,019,278	2.24	14.19
Aviation	67,805,263,715	28,030,086,148	28,030,086,148	28,030,086,148	41.34	100.0
Science, Technology & Innovation	145,054,765,765	34,801,587,174	34,801,587,174	3,630,762,428	2.50	10.43
Niger Delta	21,149,342,457	20,398,142,554	20,398,142,554	10,576,967,214	50.01	51.85
Humanitarian Affairs, Disaster Mangt & Social Development	108,450,251,269	64,977,840,828	64,977,840,828	22,859,566,537	21.08	35.18
Defence	197,049,920,338	108,392,471,041	108,392,471,041	107,666,189,550	54.64	99.33
ONSA	56,943,978,835	33,771,822,695	33,771,822,695	33,771,822,695	59.31	100.0
Interior	36,918,676,100	18,444,338,050	18,444,338,050	18,444,338,050	49.96	100.0
Trade & Investment	65,290,309,038	16,489,922,812	16,489,922,812	225,223,558	0.34	1.37
Power	296,637,424,104	144,424,144,748	144,424,144,748	144,424,144,748	48.69	100.0
Total Average Utilization by All MDAs (Inclusive of Capital Supplementation)	5,467,403,959,863	1,283,842,328,443	1,283,842,328,443	941,715,083,516	17.22	73.35

**Source:** OAGF and BOF, 2022

### 3.10.5 Budget Deficit and Performance of the Financing Items

In the 2022 Fiscal Framework, quarterly fiscal deficit is estimated at ₦1,551.75 billion (exclusive of GOEs and Multi-lateral/Bi-lateral Project-tied Loan of ₦288.96 billion). The quarterly deficit is expected to be financed through earnings from Privatization Proceeds of ₦22.68 billion, Foreign Borrowing of ₦642.48 billion and Domestic Borrowing (FGN Bond) of ₦883.44 billion.

The inflow and outflow of funds resulted in ₦1,954.97 billion deficit (4.24 percent of prorated GDP) in the second quarter of 2022. This was ₦403.23 billion (26.99 percent) higher than the prorated projected budget deficit for the quarter. The deficit was partly-financed through ₦510.21 billion foreign borrowing and ₦1,350.0 billion borrowed domestically (FGN Bond).

Total deficit in the first half of the year amounted to ₦5,499.29 billion which was 88.63 percent of the 2022 estimated deficit. The deficit was financed in part through ₦510.21 billion foreign borrowing and domestic borrowing amounting to ₦2,300.0 billion.

## 4.0 CONCLUSION

The macroeconomic situation in the review period was redefined by the increasing level of uncertainties confronting the recovery of the global economy following the Russia-Ukraine war and several sanctions against Russia. The economy expanded by 3.54 percent in the second quarter of 2022 with the oil sector declining by 11.77 percent (year-on-year) in real terms while non-oil sector recorded a real growth of 4.77 percent. The non-oil sector contributed significantly to the growth of the economy, mainly driven by the Information and Communication (Telecommunication); Trade; Financial and Insurance (Financial Institutions); Transportation (Road Transport); Agriculture (Crop Production) and Manufacturing (Food, Beverage & Tobacco).

The Federal Government continued to meet its non-discretionary expenditure requirements even as budget implementation continued to be affected by poor revenue outcomes. The performance of the economy during the quarter was inspiring considering developments in the global economy and the performance of other economies. Nevertheless, it is important to fast-track efforts towards improving the growth recorded and revenue performance. Improving revenue collections in the succeeding quarters of the year is vital to the successful execution of the 2022 Budget. Efforts to curtail the growth in recurrent expenditure and particularly personnel expenditure in 2022 is critical even as effective implementation of measures to address the security challenges continue to be a priority.

The Federal Government is committed to its promise to improved openness, transparency and accountability in budget preparation, implementation, monitoring and evaluation and feedback. In view of this, strict observance of budget implementation guidelines and the governance framework on monitoring of capital budget implementation will continue to be followed. Efforts would also be geared towards promoting efficiency in budget implementation, while guaranteeing effective project management in the subsequent quarters of 2022 and beyond.

# APPENDIX I

**OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION  
FEDERAL MINISTRY OF FINANCE  
FUNDS DEPARTMENT, GARKI - ABUJA**

**SUMMARY OF 2022 CAPITAL PERFORMANCE REPORT FOR MINISTRIES DEPARTMENTS AND AGENCIES (MDAs) AS AT 30TH JUNE, 2022**

MINISTRY	APPROPRIATION	1ST TRANCHE	=N=	AIEs (MDAs BUDGET (031) =N=	AIE SERVICE WIDE =N=	TOTAL RELEASES (WITH OUT S/W) = N=	TOTAL RELEASES = N=	CASHBACKED =N=	MDAs BALANCE @ 30TH JUNE, 2022 =N=	UTILISATION =N=	PERFORMANCE %		
											APPROPRIATION %	RELEASES %	CASHBACK %
PRESIDENCY	45,341,473,110	31,250,219,253	-	-	344,735,300	31,250,219,253	31,594,954,553	31,594,954,553	350,250,275	31,244,704,278	68.91	98.89	98.89
SECRETARY TO GOVT. OF THE FEDERATION (SGF)	56,923,804,676	28,761,902,338	0	0	5,535,368,610	28,761,902,338	34,297,270,948	34,297,270,948	196,211,393	34,101,059,555	59.91	99.43	99.43
SPECIAL DUTIES (SGF)	7,381,211,226	4,221,058,129	-	-	-	4,221,058,128.81	4,221,058,128.81	4,221,058,128.81	549,189,508.50	3,671,868,620.31	49.75	86.99	86.99
YOUTH DEVELOPMENT	8,234,022,187	1,676,545,745	-	-	297,774,765	1,676,545,745	1,974,320,510	1,974,320,510	1,923,242,703.37	51,077,806	0.62	2.59	2.59
WOMEN AFFAIRS	39,525,038,629	1,763,546,204	-	-	-	1,763,546,204	1,763,546,204	1,763,546,204	893,867,078.98	869,679,125	2.20	49.31	49.31
AGRICULTURE	386,650,835,220	36,384,897,420	-	-	220,000,000	36,384,897,420	36,604,897,420	36,604,897,420	28,262,031,109	8,342,866,311	2.16	22.79	22.79
WATER RESOURCES	163,569,538,678	48,905,563,560	-	-	-	48,905,563,560	48,905,563,560	48,905,563,560	43,349,266,222	5,556,297,338	3.40	11.36	11.36
AUDITOR-GEN.	218,969,387	109,484,694	-	-	891,024,952	109,484,694	1,000,509,646	1,000,509,646	-	1,000,509,646	456.92	100.00	100.00
DEFENCE	197,049,920,338	107,666,189,550	-	-	726,281,491	107,666,189,550	108,392,471,041	108,392,471,041	726,281,491	107,666,189,550	54.64	99.33	99.33
ICPC	2,340,020,000	1,170,010,000	-	-	-	1,170,010,000	1,170,010,000	1,170,010,000	-	1,170,010,000	50.00	100.00	100.00
EDUCATION	216,330,080,734	55,087,009,822	-	-	699,625,000	55,087,009,822	55,786,634,822	55,786,634,822	52,981,721,499.35	2,804,913,322	1.30	5.03	5.03
FCTA	59,103,524,427	-	-	-	-	-	-	-	-	-	-	-	-
FOREIGN & INTER GOVT. AFFAIRS	8,854,171,205	4,427,085,602	-	-	-	4,427,085,602	4,427,085,602	4,427,085,602	-	4,427,085,602	50.00	100.00	100.00
FINANCE	440,347,260,554	5,851,737,923	-	-	1,462,628,726	5,851,737,923	7,314,366,649	7,314,366,649	-	7,314,366,649	1.66	100.00	100.00
HEALTH	207,389,943,865	31,778,304,542	-	-	1,013,784,046	31,778,304,542	32,792,088,588	32,792,088,588	28,139,069,310	4,653,019,278	2.24	14.19	14.19
TRADE & INVESTMENT	65,290,309,038	16,489,922,812	-	-	-	16,489,922,812	16,489,922,812	16,489,922,812	16,264,699,254	225,223,558	0.34	1.37	1.37
INFORMATION COMMUNICATION TECHNOLOGY	22,981,920,003	1,159,205,239	-	-	-	1,159,205,239	1,159,205,239	1,159,205,239	1,032,739,894	126,465,345	0.55	10.91	10.91
TECHNOLOGY	136,485,587,668	8,599,375,335	-	-	-	8,599,375,335	8,599,375,335	8,599,375,335	4,386,365,090	4,213,010,245	3.09	48.99	48.99
INTERIOR	36,918,676,100	18,444,338,050	-	-	-	18,444,338,050	18,444,338,050	18,444,338,050	-	18,444,338,050	49.96	100.00	100.00

POLICE AFFAIRS	38,925,739,398	37,299,235,190	-	-	37,299,235,190	37,299,235,190	37,299,235,190	12,913,244,710	24,385,990,480	62.65	65.38	65.38
HEAD OF SERVICE	2,749,100,403	1,645,117,712	-	-	1,645,117,712	1,645,117,712	1,645,117,712	114,449,277	1,530,668,434	55.68	93.04	93.04
JUSTICE	36,276,174,980	17,995,712,490	-	-	17,995,712,490	17,995,712,490	17,995,712,490	-	17,995,712,490	49.61	100.00	100.00
LABOUR & PRODUCTIVITY	53,749,178,149	26,874,589,075	-	-	26,874,589,075	26,874,589,075	26,874,589,075	-	26,874,589,075	50.00	100.00	100.00
POWER	296,637,424,104	144,424,144,748.28	-	-	144,424,144,748	144,424,144,748	144,424,144,748	-	144,424,144,748.28	48.69	100.00	100.00
WORKS AND HOUSING	515,951,169,699	159,556,734,900	-	-	159,556,734,900	159,556,734,900	159,556,734,900	-	159,556,734,900	30.92	100.00	100.00
SCIENCE AND TECH.	145,054,765,765	34,201,587,174	-	600,000,000	34,201,587,174	34,801,587,174	34,801,587,174	31,170,824,746	3,630,762,428	2.50	10.43	10.43
TRANSPORT	174,938,226,326	47,215,866,444	-	-	47,215,866,444	47,215,866,444	47,215,866,444	46,132,655,256	1,083,211,187	0.62	2.29	2.29
AVIATION	67,805,263,715	28,030,086,148	-	-	28,030,086,148	28,030,086,148	28,030,086,148	-	28,030,086,148	41.34	100.00	100.00
PETROLEUM	3,811,882,401	958,605,977	-	-	958,605,977	958,605,977	958,605,977	751,009,852	207,596,125	5.45	21.66	21.66
MINES & STEEL	14,195,567,633	3,260,160,053	-	-	3,260,160,053	3,260,160,053	3,260,160,053	3,145,443,627	114,716,426	0.81	3.52	3.52
NATIONAL WAGES & SALARIES	227,102,720	113,551,360	-	-	113,551,360	113,551,360	113,551,360	-	113,551,360	50.00	100.00	100.00
ENVIRONMENT	33,661,162,998	4,432,941,022	-	-	4,432,941,022	4,432,941,022	4,432,941,022	4,432,727,224	213,798	0.00	0.00	0.00
OFFICE OF NATIONAL SECURITY ADVISER	56,943,978,835	32,511,880,695	-	1,259,942,000	32,511,880,695	33,771,822,695	33,771,822,695	-	33,771,822,695	59.31	100.00	100.00
NIGER DELTA	21,149,342,457	20,398,142,554	-	-	20,398,142,554	20,398,142,554	20,398,142,554	9,821,175,340	10,576,967,214	50.01	51.85	51.85
FISCAL RESPONSIBILITY COMMISSION	613,142,071	306,571,036	-	-	306,571,036	306,571,036	306,571,036	-	306,571,036	50.00	100.00	100.00
ICRC	259,719,353	129,859,677	-	-	129,859,677	129,859,677	129,859,677	-	129,859,677	50.00	100.00	100.00
NAT. POPULATION	180,631,924,210	98,850,654,315	-	658,494,250	98,850,654,315	99,509,148,565	99,509,148,565	12,472,505,775	87,036,642,790	48.18	87.47	87.47
CODE OF CONDUCT BUREAU	1,448,019,168	769,009,584	-	-	769,009,584	769,009,584	769,009,584	-	769,009,584	53.11	100.00	100.00
CODE OF CONDUCT TRIBUNAL	138,096,039	69,048,020	-	-	69,048,020	69,048,020	69,048,020	-	69,048,020	50.00	100.00	100.00
REV. MOB. ALL.	482,403,767	391,201,884	-	-	391,201,884	391,201,884	391,201,884	-	391,201,884	81.09	100.00	100.00
FCSC	114,111,986	57,055,993	-	-	57,055,993	57,055,993	57,055,993	-	57,055,993	50.00	100.00	100.00
POLICE SERVICE COMMISSION	232,151,829	116,075,915	-	-	116,075,915	116,075,915	116,075,915	-	116,075,915	50.00	100.00	100.00
FED. CHARACT. COMM.	658,247,596	329,123,798	-	-	329,123,798	329,123,798	329,123,798	-	329,123,798	50.00	100.00	100.00
HUMANITARIAN AFFAIRS, CAPITAL SUPPLEMENTATION	108,450,251,269	17,309,111,078	-	47,668,729,750	17,309,111,078	64,977,840,828	64,977,840,828	42,118,274,291	22,859,566,537	21.08	35.18	35.18
	507,808,918,168	-	-	139,922,005,290	139,922,005,290	139,922,005,290	139,922,005,290	-	139,922,005,290	27.55	100.00	100.00
GRAND TOTAL	3,584,415,000,000	1,080,992,463,057	-	202,849,865,385	1,080,992,463,057	1,283,842,328,443	1,283,842,328,443	342,127,244,927	941,715,083,516	26.27	73.35	73.35

